World news

#### Van Gogh Shearson Sunflowers Lehman sold for £24.7m detailed

Vincent Van Gogh's celebrated masterpiece The Sanflowers was sold for a record £24.75m (\$39.6m) for a cent stake in Shearson Lehman

Two bidders bettled for the canvas, with the final sale price breaking a previous record auction price of sR im for Mantegna's "Adoration of the Magi."

in art Dais

S

The unsigned Van Gogh was done in 1889, one of seven studies of sunflowers painted by the Dutch artist who committed suicide in

#### Election setback

The withdrawal of Louis Nel, the former South African Deputy Infor-mation Minister, as a National Party candidate only hours after the apparent suicide of John Wiley, the Minister for Environmental Affairs, has given another shock to a ruling National Party leadership facing an electoral challenge from both left and right. Page 28

#### Missile impasse

The impasse over short-range nu-clear missiles in which the US-Soviet talks on removing intermediate nuclear (INF) forces from Europe have become bogged down can only be overcome by a decision at the top political level, Western officials in Geneva said. Page 2

#### Palestinian protest

Palestinian shopkeepers closed their shops and Arab youths stoned Israeli cars in the occupied West Bank during protests staged to commemorate Israel's confiscation of Arab land.

#### Oil trial begins

Tension and drama surrounded the opening day in Madrid of the trial of businessmen and entrepreneurs accused of the manufacture and distribution of adulterated rapessed oil six years ago that allegedly caused widespread deaths and illness. Page 2

#### Argentine bomb

A bomb ripped through the offices of Argentina's trade union confederation in the southern city of Bahia Blanca and damaged most of the building's first floor, police spo-

#### Aegean "opportunity"

Prime Minister Turgut Ozal said Turkey's latest row with Greece over oil rights in the Aegean Sea showed the need for talks and "an opportunity has emerged for this."

#### Seamen feared dead

Ten seamen were presumed dead after their Spanish trawler sank 200 miles north-west off the Canary Islands. A French cargo ship picked up two survivors from the Calpe Quintans in freezing temperatures and heavy seas.

#### Refugees strike

Twenty-five refugees from Turkey, Chile and Kurdistan began a sixday hunger strike in Zurich aimed at highlighting the plight of asylum seekers ahead of a referendum on Switzerland's asylum laws on

#### Chile protest

Chilean demonstrators took to the streets of Santiago on the eve of a papal visit, in protest against hu-man rights abuses by the military government of General Augusto Pinochet. Pope treads sensitive ground, Page 28

#### Honecker hint

East German leader Erich Honecker hinted he might be willing to compromise over complex issues of Berlin's status to clear the way for a key visit by West Berlin Mayor Eberhard Diepgen.

# offering

Business summary

No. 30.198

painting, suctioneers Christie's in

Brothers, the third largest investment bank on Wall Street. Page 50 WALL STREET: The Dow Jones industrial average closed 57.39 down at 2,278.41. Page 52

LONDON: The weak dollar and Wall Street's heavy opening fall sent equity prices into their largest recorded index point fall. The FT-SE 100 index lost 46.1 to 2,2002.5 and the FT Ordinary index closed 38.4 down at 1,582.2. Gilts closed over a point lower. Page 52

TOKYO: The yen's appreciation and the US decision to take trade measures against Japan caused prices to suffer their second largest fall in

history. The Nikkei average lost 550.45 to 21,628. Page 52 DOLLAR closed in New York at DM 1,8000; SFr 1,5015; FFr 6,000; and Y146.22. It fell in London to Y146.35 (Y147.65); to DM 18045 (DM 18235); to SFr 15060 (SFr 15195); and to FFr 6.01 (FFr 6.0675). Page 45

STERLING closed in New York at \$1.6060. It rose in London to \$1.6105 (\$1.6030); but fell to DM 2.9658 (DM 2.9225); to (Y236.75); to SFr 2.4250 (SFr 2.4350); and to Fr 9.89 (FFr 9.7250). The pound's exchange rate index fell 0.1 to 71.6. Page 45 GOLD rose \$7 to \$423.75 on the Lon-

don bullion market. In Zurich it also rose to \$422.25 (\$417.25). Page 44 FINANCIAL CORPORATION of America (FCA), parent of American Savings and Loan Association, one of the biggest savings and loan in the US, has confirmed widespread rumours that it has been talking to possible buyers of the troubled thrift. It refused to name the parties involved.

DEUTSCHE Bank, the largest bank in West Germany, is to pay a DM 5 (\$2.77) bunus to shareholders on top of a maintained DM 12 per share dividend, because of the sharp jump in 1986 profits resulting from the flotation of the former Flick indus-trial empire. Page 29

BASP, the big West German chemit cals group, reported a sharp drop in group profits for the whole of last year, but said that business was expected to develop satisfactorily in coming months. Page 29

ARBED, the Luxembourg-based steel producer, unveiled an expect-ed decline in profits and sales and agreement with the Government and the unions on major job cuts.

SAIPEM SpA, the Italian state oil. ges drilling and pipelaying company, which is controlled by the ENI state energy concern, suffered a 22 per cent drop in its 1986 net profit

to L51.6bn (\$39.7m). MANNESMANN, the big West Ger

man steel pipes and engineering group, won a three-month battle to take control of Fichtel & Sachs, one of the country's biggest motor component groups, for an undisclosed sum. Page 29

SNIA BPD, the Italian fibres, muni tions and chemicals group which is under the effective control of Fiat, recorded a decline in its 1986 net profit of 28 per cent to L65bn (\$52.3m). Page 29

HUDSON's Bay Co., the debt-bur-dened Canadian retail and property group, is to sell its wholesaling busi ness to a private investment group as part of a strategy to concentrate on its department store and real estate interests. Page 30

LEGAL bettle is likely over control of Usego Trimerco Holding, a lead-ing Swiss retail group, following the announcement that the Zurichbased Denner group now owns a majority shareholding. Page 30 BRITISH Satellite Broadcasting

of its first stage financing of £200m. CAPACITY at the Round Mountain

## World markets fall as trade tensions mount

BY OUR ECONOMICS AND FOREIGN STAFF

MOUNTING concern about the durability of the Paris accord on stabiising currencies and increasing trade friction between the US and Japan sent the dollar to another post-war low against the yen yester-day and provoked massive selling on world equity and bond markets. The plunging dollar and Washing-ton's retaliation against Japanese semiconductor trade has raised a broad range of fears from higher inflation, greater protectionism, a cooling of foreign – particularly Japanese – enthusiasm for US stocks and bonds and, in the longer term, the possibility of sharply reduced economic growth and profits.
In Tokyo, the dollar fell to a low
of Y144.70 before recovering slightly to close at Y146.20. The Bank of

by government leaders. In a clear attempt to stabilise the dollar, Mr Kiichi Miyazawa, Japan's Finance Minister, yesterday announced there would be a meeting of the Group of Five leading in-dustrial nations next Wednesday in Washington to discuss instability on

Japan bought an estimated \$2.5bn to \$3bn of dollars and a series of

supportive statements were made

Other monetary officials from G5 nations were more reticent about whether the G5 will be meeting formally. However, as the five will be in Washington for the interim committee meeting of the International Monetary Fund, it seems likely that they will take the opportunity to meet, at least informally, before joining Canada and Italy for a G7

Mr Miyezawa said that no major changes in Japan's economic fundamentals had occurred to justify the change in the currency markets in early April, attributing the dollar's weakness now to selling before the end of the fiscal year today.



Mr Yasahira Nakasa

the US and European governments would continue vigorous market intervention to prevent the yen from rising further. He also said he be-lieved that the US Federal Reserve was concerned about a situation in which the US currency could stage

change rate, Mr Yasuhiro Naka-sone, the Prime Minister, told a parliamentary budget committee meeting yesterday that a rate of more than Y150 to the dollar should be maintained under the agreements made in Paris in late Febru-

One European monetary official expressed surprise about the specific nature of Mr Nakasone's statement and said all the comments emerging from Japan "smacked of desperation." There is no doubt that there is increasing frustration in Japan which is looking more isolatdollar's recent plunge. He added ed than ever on trade issues and in that he expected to see some its attempt to stop the inextorable ed than ever on trade issues and in rise of the yen against the dollar.

He said Japan, in concert with kind of co-ordinated central bank intervention which was seen daily last week. This did not materialise.

> In London, the dollar ended yesterday at Y146.35 compared with Friday's closing Y147.65 and was al-so weaker against the D-Mark at DM 1.8045 after DM 1.8235.

The overriding fear in the foreign exchange market is that the US Administration is prepared to see the dollar fall further in order to put essure on Japan not only to my as quickly as possible but also to address critical trade issues with the US. implement plans to boost its econo-

Share prices had tumbled in Tokyo in heavy volume and then the wave of selling hit London and New

London saw the largest daily fall recorded in equity market indices and losses of up to 1% points in UK Government bond prices as the falldollar provoked fears of higher

Prices on the equity market had en marked down at the outset but Trading in Europe and the US then fell further as prices started was quiet as dealers anticipated the collapsing on Wall Street. After

steadying towards the end of the session, the FT-SE 100 index closed 46.1 down at 2002.5, while the FT ordinary index finished 38.4 lower at 1582.2.

The London market had already lost some of its shine as post-Budeet opinion polls made a Conservalive victory in the next general election less of a foregone conclusion.

Wall Street was hit by an avalanche of sell orders as trading opened, with pessimistic foreign in estors in the thick of the action. Stock and bond prices plunged in the first hour before finding enough support to stage a partial recovery in mid morning.

Very few market analysts were repared immediately to call yesterday's turmoil the start of a sharp setback after the spectacular rally equities had enjoyed so far this

Some analysts speculated that, in deciding to take the trade action against Japan, US officials had failed to take into account the danger of adverse reaction in financial

Lex, Page 28; money markets, Page 41; markets, Page 52

BY PAUL BETTS IN PARIS

2CV in France next year.

cigarette and the baguette loaf.

Citroen, one of the two car divi-

## Plain speaking from Thatcher and Gorbachev

BY PETER RIDDELL AND PATRICK COCKBURN IN MOSCOW

MR MIKHAIL GORBACHEV, the Soviet leader, and Mrs Margaret Thatcher, the UK Prime Minister, yesterday vigorously restated their contrasting approaches to arms control and human rights during nearly seven hours of talks and a two-hour banquet at the Kremlin though in a spirit of openness intended to improve Soviet-British re-

There was no attempt to play down differences reflected in the leaders' toughly-worded speeches. As expected there were no decisions and no communique.

Mr Gorbachev expressed caution

about the prospects for removing medium range missiles from Eu-rope while Mrs Thatcher, noting that this was a matter to be negotiated in Geneva, stressed the problem of the imbalance of shorter range nuclear missiles and the US desire for a right to match the large superiority of the Soviet Union in

She also urged the US to offer reassurance about the timetable of its star wars research programme and the commitment not to withdraw from the anti-ballistic missile treaty in order to help the discussions on cuts in strategic weapons

day appear to have been conducted in a personally friendly manner. A British official said both leaders spoke their minds without hostility. He said, "It think they just enjoy having a good argument." The talks went on so long that a plenary ses- Mr Gorbachev said. "We see the Na-sion with both countries' foreign to countries gradually slipping secretaries had to be cancelled and away from their own zero option Mrs Thatcher went on to dinner in the Kremlin without changing.

The more co-operative tone hoped for in Soviet-British relations will be market today by the signing of four bilateral accords, including one on cultural exchanges of theat-

Life after death for Citroën 2CV

lois, which dates back to 1893, did

shape, would continue to be built at

Mangualte in Portugal. Mr Jacques Calvet, Peugeot chairman, has also

remarked on numerous occasions

that the 2CV "is immortal."

France is considering expelling one or more Russian diplomats after implicating the Soviet em-bassy in Paris in the establishment of an industrial espionage network to gather data about the Ariane space rocket and other sensitive industries. Page 28

rical and pop music groups. One or two major trade deals may also be

Soviet hosts Mrs Thatcher will today signal her concern with human rights by meeting among others Dr Andrei Sakharov, the leading Soviet scientist recently released from internal exile. She raised the issue of exit visas from the Soviet Union in yesterday's talks and Sir Geoffrey Howe, Foreign Secretary, sep-arately provided a list of over 100 such cases.

At last night's banquet, however Mrs Thatcher invited Mr Gorba-chev and Mr Nikolai Ryzhkov, the Soviet Prime Minister, to visit Brit-

Mr Gorbachev, in a tough and pessimistic speech, strongly under-lined Soviet concern that an agreement on removing medium-range nuclear missiles from Europe was becoming more and more compli-

"What we see is a whole new package of additional conditions and demands being set before the Soviet Union concerning the problems of medium-range missiles," to countries gradually slipping In a reference to the visit of Mr

George Shultz, the US Secretary of State, to Moscow in April 13 he Continued on Page 28

Burnishing the image, Page 2

## Murdoch to pay \$300m for New York publisher

BY ANATOLE KALETSKY IN NEW YORK

Theodore Cross, a private publisher management.

Both Harper News Corporation.

the acquisition is completed, it will make News Corporation one of the

lishers in the UK.

UK direct broadcasting by satellite franchise holder, is near completion

Mine in Nevada, the world's biggest heap-leach gold producer, is to be heap-leach gold producer, is to be one of the world's leading producers after the settlement of payments doubled at a cost of \$140m. Page 39 of razors and razor blades and has between Wilkinson and Allegheny.

HARPER & ROW, the New York publishing company which was put in play" at the beginning of this month by a \$141m bid from Mr cipate substantially in Harper's market speculation had been Gulf

Swedish Match to buy

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

acquire its closest rival Wilkinson
Sword, the UK-based maker of
from matches, a third from shaving

The takeover will give Swedish Match control of more than 25 per cent of the world match market and Wilkinson Sword in 1980, is being

cent of the world match market and Wilkinson Sword in 1980, is being around 85 per cent of the UK mar-forced to cut back its international

\$300m by Mr Rupert Murdoch's News Corporation's offer of \$65 & Row on numerous internation for each Harper & Row share has publishing ventures, was one of the been unanimously recommended by Harper's board. Assuming that The agreement with News Cor-

pany, News Corporation currently Brace Jovanovich, Harper & Row owns a controlling stake in William said last week that "a considerable Collins, one of the biggest book pub-number of domestic and foreign cent in Harper & Row at an aver-

News Corporation said that Col- about a deal.

matrhes and shaving products, from Allegheny International of the US, in a deal worth about \$160m.

Both Harper and News stressed

yesterday that the link with Collins, hich had co-operated with Harper The agreement with News Corporation comes after a rapidly esca-lating bidding war for Harper &

biggest international forces in book publishing.

As well as being the leading newspaper publisher in the English speaking world, and the fourth-largest US television broadcasting company to the publishing businesses.

Although the only publishing businesses.

Although the only publish disclosed offer, apart from that by Mr Cross, was a \$220m bid by Harcourt Daniel of the world's leading publishing businesses.

firms" were in active discussions

SWEDISH MATCH, the Swedish annual sales of more than SKr Zim conglomerate and the world's lead- (\$314m) and a workforce of some cindes Wilkinson Sword's UK subing match manufacture, is to 8,000.

products and the remainder from

Wilkinson Sword is the world's ness activities in North America. South African subsidiary listed on second largest producer of matches. The purchase price for Wilkinson the Johannesburg stock exchange after Swedish Match, with production plants in 13 countries. It is also ment from Swedish Match is \$180m employees.

and the second of the second s

bousehold and garden tools.

& Western's Simon & Schuster subsidiary, Time Inc and Mr Robert Maxwell's Pergamon Press.

of \$116.1m and earnings of only \$4.4m in the nine months to Decem ber 31 1986, seems to confirm the premium valuations being put on US publishing stocks since Bertelson, the West German publisher, paid \$475m for Doubleday last year. One of the biggest gainers from the deal will be Mr Cross, a canny investor who has made a fortune through running and trading publishing companies. He had accumu-lated a stake of more than 6 per

sions of the private Peugeot-Citroën group, has told unions it plans to The high price being paid for close its old factory at Levallois in Harper & Row, which had revenues Paris where the 2CV is made some-

age cost of well below half the \$65 a share News will be paying.

sidiary, Bryant and May, and its Liverpool match plant with a 55 per cent market share, as well as Fiat

Lux, the Brazilian subsidiary with

2,500 employees and a dominant po-sition in the world's second fastesi

Background, Page 6

growing match market.

AN EPOCH in the history of the time during the first half of next French automobile industry came to an end yesterday with a decision to halt production of the Citroen however that the closure of Leval-

Since its introduction in 1949, the not imply the death of the 2CV. An official confirmed that the popular

car has become one of the most popular symbols of French life along with the beret Basque, the Gauloise as a sardine can because of its

**AIR STRASBOURG** R BORDEAUX

# Continued on Page 28

Up to 210 direct flights a week. More destinations and frequency to France than any other airline. (There are in fact direct flights from London to eleven major cities throughout France.

A sharp intake:

That includes London to Paris up to fourteen in all - each way perdax Another deep breath:

You can travel direct to Paris from Heathrow, Gatwick, Stansted, Birmingham, Manchester, Bristol, Aberdeen, Edinburgh, Dublin, Cork, Shannon and Jersey. That's a pretty comprehensive service. It's also quick but nevertheless comfortable. Basically (or rather luxuriously) because we've upgraded Club Class on our London-Paris route adding 50% extra sealing.

But then, even Economy Class offers not only more legroom but in-flight catering with complimentary wine or drinks, Just one call books your flight, hotel, hire car. Air France. Breathe the words.

AIR FRANCE 📶

TAKE A DEEP BREATH

AIR N

Contact your Travel Agent or Air France, 158 New Bond Street, London WTY QAY, Teb. (11-479 951). Above Airport: 01-759 2311. Manchester: 067-436 3800. Cargo Bookings: 01-897 2811. France: 20242.

#### CONTENTS

Europe	•
Companies 28, 30	1
America 4	Į
America	. ]
Companies 29, 30	1
Oversess 3	ì
Oversees	1
Companies 33	1
World Trade 4	1
Britain 6, 7, 9, 10	1
MINIST	1
Companies 34, 36-38	ļ
	5
Aerlegiture40	
Aerienitate	

Aris - Beviews ......25

zes ..... 41 kets - Bourses .... 49, 52 - Wall Street .... 49-52 - London .... 45-48, 52 - World Index..... &



PORTRAIT OF AN **ECONOMY** SIEGE

UNDER

Thatcher: the Iron Lady burnishes her image in the Kremlin ...... 2 Trade: Moscow and Peking expand 

Wilkinson Sword in 1980, is being forced to cut back its international operations and concentrate its business activities in North America.

As part of the acquisition, Swedish Match also gains majority control of Lion Match, Wilkinson's South African subsidiary listed on

Technology: tailor-made formula for UK electronics ...... 14

Management: enterprise in schools . . 16 Editorial comment: open markets in telecoms; pouring oil on Aegean waters 26 Trade tensions with Japan: views from

Lex: Woolworth/Superdrug; Hawley; Shearson Lehman; B & C........... 28 Racing cars: forward March to USM . 52

Tokyo, Washington and London ..... 27

Amin Gemayel has presided over a precipitous depreciation of the Lebanese pound, reflecting the difficulty of

Turkish law

aims to help

companies

THE TURKISH Parliament has approved a new law to help ailing companies by letting them convert bank debts him

equity and enabling them to defer tax and social security.

payments for up to five years

At the State Investment Bank

(DYB) which is being convented into an export credit agency is also to be given kunds to assist domestic manufacturers.

Up to 320 Turkish manufact

turing companies are thought in be in need of assistance. The leading banks have been struggling for several years.

with a large volume of non-per-forming loans in their part

folios.

State banks have been perticularly badly affected. Thought balance sheets in many taxes give little information about the extent of bad industrial delay two public-sector banks. The Turkiye Emlak Kredi Bankasi and the Ziraat Bankasi — are thought to have borne the high-sect liabilities.

A recently-leaked list of ball debts in the portfolios of single banks suggested that one bank alone, the Turkiye Emlak Kreji Bankasi, accounted for the par-

cant of the total.

Industrialists have had mixed feelings about the Oral reache operation. Many claim that the Oral Government's policy of keeping margins much higher than inflation, intended to help banks write off their had debut has penalised efficient firms and protected hadly managed ones.

cent of the total.

est liabilities.

at reduced interest rates.

Ch

011

that we have reported to the real section of t

der is and

مد دشانات

they could deal because

CONTRACTOR 1 mg 12 524-

11 E. S.

Brit

five

join the :

Yourse !!

SENEC

IM

see

BY NEM C

in Airce

programme from auste

At a two-c

tae World

Deriod end

colonial arc

the centre

The cir.

shabby no swollen by by successive Despite developed manufacture on interest

on independence on independence of independence of independence on independence of independenc

Agrictulation close to and more Senegal's 11 based, Livin with GDI CF Afr 195.00 based bas

head in 1988

In common heighbours, spent moor mitensive or Rank and it ing a class budgetary witheraliset in budgetary a ments deficit restraint in public expensive restraint in 1985-86 in 1985-86 in 1985-86 are restraint restraint in 1985-86 are restraint res

HK

#### **Short-range** missiles bog down **INF** talks

By William Dullforce in Genera

THE IMPASSE over shortrange nuclear missiles in which the US-Soviet talks on remov-ing intermediate nuclear (INF) forces from Europe have bogged down can only be overcome by a decision at the top political level, Western officials

They expect a first attempt to reach that decision will come when Mr George Shuitz, the US Secretary of State, visits Moscow on April 13-16 for a meeting with Mr Eduard Shevardnadze, his Soviet Shevardnadze, his Soviet counterpart. Both Mr Maynard Glitman and Mr Alexei Obukhov, the US and Soviet INF negotiators in Geneva, pointed to the Moscow encoun-

pointed to the Moscow encounter as the next staging post after they had broken off their talks last week.

Since then both senior officials in Washington and Moscow have charged the other side with "backtracking" from previous undertakings in the INF negotiations.

The Soviet position is that when on February 28 Mr Mikhail Gorbachev removed the link Moscow had previously

the link Moscow had previously imposed between an INF treaty and limits to President Ronald Reagan's Strategic Defence Initiative, the Soviet leader accepted the President's earlier

"zero option" proposal to get rid of all medium-range missiles from Europe.

By insisting in Geneva that the INF agreement must incor-porate an understanding on porte an unuersancing on parity in some shorter-range nuclear missiles, the US has created "new problems" and raised doubt about the sincerity of President Reagan's original offer, Moscow argues. It says proportions on short-range pegotiations on short-range



Glitman: "equality" systems can start immediately

after an INF agreement However, the US claims that in Geneva back in 1983 Moscow had agreed to include some short-range missiles in an INF agreement. Their inclusion was also implicit in the understanding between Mr Reagan and Mr Gorbachev at their Reykjavik summit last October.

During a briefing on March 4 after the US had responded in the inclusion was also implicit in the understanding between Mr Reagan and Mr Gorbachev at their Reykjavik summit last October.

During a briefing on March 4 after the US had responded in the French recorded in recent public tory, public opinion polls continue to show the right with a firm overall majority at the parties have generally managed national level in France of about popular support decline in local to improve their positions in 56 per cent, even though they after the US had responded time since the right won the despite their decline in opinion appointment over Mr Chirac's 28 initiative by tabling its draft of an INF treaty Mr Glitman Although the six local polls Although the six local polls at the weekend, the traditional said it contained provision for "equality" in some shorter involved only about 80,000 while the National Front also making strong gains in the range missiles as well as for voters, the results appear to declined in some cantons.

The results appear to Despite this first minor set. The results appear to the canton of Diculoused in t

Nato estimates that Soviet forces have a six-to-one superiority in short-range nuc-lear systems in Europe. The wants the INF treaty to include agreement that it has the right to achieve parity with the Soviet SS-12 (SS-22 in their latest version) and SS-23 missiles with ranges in the 350-km to 900-km band. Moscow has some 130 such missiles.

The Soviet side would remove and destroy missiles down to the level of parity agreed and the US would build up to that level. This is why it has been suggested that some US Pershing 2 missiles in West Germany might be converted to shorterrange weapons by removing

In the US draft INF treaty the number of short-range missiles in this category to be held on each side was left blank. Western officials said. The US accepts that a separate systems, such as the Soviet be negotiated after the signa

ture of an INF treaty.

The INF talks are due to resume in Geneva on April 23 together with negotiations on strategic nuclear missiles and space weapons. Prospects will then depend on Washington and Moscow having settled the question of whether or not an INF treaty should incorporate an agreement on shorter range missiles in the SS-12 and SS-23 categories and whether Moscow is ready to enter detailed discussion of verification measures, officials said.

David Marsh adds from Bonn: Mr Helmut Schmidt, the former West German Chancellor, yesterday gave a sharply pess mistic assessment of the chances of a speedy superpower agreement on dismantling medium range missiles in

Europe. In an interview in the Ham-burg daily Hamburger Morgenpost, Mr Schmidt, one of the Nato "two track" decision to

## Thatcher burnishes her image in the Kremlin

BY PETER RIDDELL, POLITICAL EDITOR, IN MOSCOW

AS THE clock struck 11 am reporters acting on behalf of press corps is too restrained to precisely the doors at each end others had been ushered behind of the sumptuous Catherine a rope in the Catherine Hall, as Hall in the Kremlin swung open. At one end stood Mr Hall in the Kremlin swung opulent a room as can be seen open. At one end stood Mr in Verseilles or the Vatican. Mikhail Gorbachev, the Soviet Named after Catherine the leader; at the other end Mrs Great, it is decorated with Thatcher. They walked steadily towards each other, shook hands, smiled and chatted. It golden gilt in the ceiling and was another photo opportunity. be worth millions of gold roubles; Mrs Thatcher wore a green dress which suitably Ever since Mrs Thatcher landed in Moscow early on Monday evening her life has been full of photo opportunities. By last night there had been 10 such formal chances to film Mrs Thatcher The entrances by both leaders were as dramatic as any film and no doubt looked that way on television news. And then there were a couple of minutes in two days, and several informal ones as well at the British Embassy. It has been an image adviser's delight.

of smiles and chat—about how marvellous Swan Lake had been at the Bolshoi. an image adviser's delight.

Over the whole visit of Mrs.

Thatcher, who has been filmed or photographed with Mr.

Gorbachev at least seven times, the clear impression is that here are two world statesmen, even old friends, talking about the clear impression. Unlike President Reagan, Mr Gorbachev cannot easily be upstaged by Mrs Thatcher. His considerable charm is apparent and, asked by photographers to move closer to Mrs Thatcher, he joked: "Maybe next time woll be citting even closer" we'll be sitting even closer."
There was little of substance

global subjects. By comparison Mr Neil Kinnock's bare 25 There was little of substance for the writing journalists. Indeed, they are largely excluded from most of the events intended for the eye rather than the ear. They rely on observations from the edge of walkabouts, "pool" reports from colleagues, briefings from British officials in the unfortunately named Fairytale Room of the Intourist Hotel.

Direct contact with Mrs. minutes with President Reagan looks a poor second. Yesterday morning provided a classic example. After laying a wreath at the Tomb of the Unknown Warrior, she went to the Kremlin to start her formal talks with Mr Gorbachev following an informal chat with him in the interval at the Bolshoi

shout out questions at the leaders like Mr Sam Donaldson of ABC Television has become famous for doing at phoxo opportunities at the White House.

Yet if the medium is most of ornate furniture. The green the story, the message should malachite columns were said to not be ignored. Mrs Thatcher appears to be genuinely interested in the extent of change in the Soviet Union under Mr Gorbachey—even if her programme, and the accompanying media circus, has ruled out any real contact with ordinary Russians as opposed to the Soviet elite.

Moreover, her message both on arms control and its links in building confidence and trust with internal changes and human rights in the Soviet Union, have been characteristically clear and forthright. But in a reference in a speech yesterday to Britain's action in going to war in aid of Poland in September 1939, she diplomatically did not mention the German-Soviet pact of a few days earlier which had led to the invasion.

The theme of peaceful co-existence between different sys-tems which she stressed both in her speech at the Kremlin last night and earlier in the trip can be contrasted with her in the interval at the Bolshoi of tunately named Fairytale Room desire to smash socialism in on Sunday evening.

Television crews, photographers and a small "pool" of Thatcher is rare. The British least on this trip.



is close enough to Mrs Thatcher before their talks yesterday Mr Gerbachev asks photographers

#### FOUR AGREEMENTS READY TO BE SIGNED

Union are this morning expected to sign four bilateral acords which will result in visits to Moscow by the National Theatre and the English National Opera Company, Peter Riddell reports from Moscow

from Moscow.

The aim of the accord is to highlight the improvement in bilateral relations reflected in the current visit to Moscow by Mrs Thatcher.
Following the lengthy nego-tians there is to be a memo-randum of understanding on

cultural, educational and comacords will cover science and acords will cover science and technology, an improvement to the "hat line" between Moscow and Lendon and the longstanding discussions on the re-siting of the British Embassy in Moscow.

Embassy in Moscow.

The coliural accord will be wide-ranging and involve a series of exchange visits of performing companies. The British visitors to Moscow will include not only the National Theore, the English National Oepar and the Ballet Rumbert,

Genesis and artists such as Mr Julian Lennon, the son of the former Beatle.

include educational exchanges which Mrs Thatcher mentioned last night in her speech at a Kremlin dinner when she talked of the desirability of young people from each country going to the other. There are also to be extensions of journalistic facilities is both countries for the citizens of the other.

were tangled minority or maj-ority state holdings in every

ority state housings in every thing from agro-industry through commerce to heavy industry and transport. The mood in Portugal has changed enough to permit the Govern-ment conspicuously to encour-age the stock market and try to remain the multimental att.

FINANCIAL TIMES Published by The Financial Times (Europe) Ltd., Frankfart Branch, represented by E. Hogo, Trankfart Main, and, as mambers of the Board of Directors, F. Barlow, R.A.F. McCletto, G.T.S. Damer, M.C. Gorman, D.E.P. Pelmer, London. Printer: Frankfurter-Societifis-Druckerer-GmbH, Frankfurt-Main. Druckever-GrobH, Frankfurt/Main.
Responsible editor: R. A. Harper,
Frankfurt/Maio. Gaiollettstrasse.
34, 600 Frankfurt am Main I. 6
The Financial Times Ltd, 1987.
FINANCIAL TIMES, USPS No.
190640, published daily emopt Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second claus. postage paid at New York,
N.Y. and at additional mailing of-fices. POSTMANTER: send address changes to FINANCIAL TIMES,
14 East 60th Street, New York, N.Y.
19022.

## US may act if AT&T bid fails

BY TERRY DODSWORTH IN BRUSSELS

THE US authorities might take ac- in world trade." tion against European companies if
AT&T loses its bid to take over
CGCT, the French public switch
manufacturer, Mr James Olson,
future of CGCT, due to be made by

day.

Choosing his words carefully, Mr
Olson said that the battle for control of CGCT was seen as a "very pitched the AT&T offer, being made important issue" in the US. There was a great deal of pressure on the Netherlands, against rival offers Government and on Congress to opfrom Siemens of West Germany pose a decision which protected European industry by refusing the bid nationalised concern, has a 16 per form of the concern of the concer

market is open to telecommunica-source of switches to those supplied tion vendors, and you need fairness by the larger Alcatel group.

chairman of AT&T warned yester- the French Government next

cent stake in the French market for "I am not for protection, and I public telephone exchanges, but its think the US would be ill-served by technology is out of date and the legislation which is not well French Government has put it up thought out," he said. "But the US for sale in order to develop a second

The AT&T chairman reiterated the US Government's belief that AT&T had effectively won the contest for the French group last sum-mer, but that the bid was scuppered by the intervention of the West German Government on behalf of Siemens. West Germany, he said, had "politicised" the issue. Mr Olson refused to speculate on

what kind of action the US might take against European companies if AT&T did not succeed with its takeover proposal. Various reactions have been suggested, including measures by the Federal Communications Commission to try and block sales of Siemens public switch equipment in the US, and legislation to restrict European access to the US if talks on a friend-

## French right slips in local polls

Mr Gorbachev's February legislative elections 12 months polls.

However, in the first Government. round of six cantonel elections at the weekend, the traditional

Although the Socialists fared

range missiles as well as for the removal from Europe of all Soviet SS-20s medium-range missiles and US cruise and Pershing 2 missiles.

Note the results appear to declined in some cantons.

Despite this first minor settle canton of Dieulouard in back in local polls since last meurthe-et-Moselle, its overall performance was disappointing performance was disappointing

## Craxi to break silence on crisis

TALY'S outgoing Prime Minister. Mr Bettino Craxi, will break a long period of silence today with his first public statements about the political crisis which began with his resignaton four weeks ago. When he cises to give the key-

note address this afternoon at fear of internal reactions within the opening of his Socialist a party which he has brouge Party's blennial congress, he to an unprecedented state of will be given an adoring wel-come as the man who, after three and a half years as Italy's first Socialist Prime Minister, has established the party as a party of government.

'THE industrialised world pro-

helped block the formation of a successor government under Christian Democrat leadership. Some of his Socialist lieuten-ants had consistently warned beforehand that Mr Craxi could not be expected to make any deal before the congress for

congress, however, to stitch up the deep wounds the crisis has the Socialists and the Christian But he is also the man whose Democrats. The absence of an tactics over the past month have agreement between the five

governing parties means that the lavishly mounted congress —internal designs by the Milanese architect Filippo -will probably be transformed into an election rally by the time the 1,100 desegrate. disperse on Sunday.

Ms Nilde Iotti, the president

of the Camera, the lower house of the Italian pariliament, is expected to report to President It may be too late after the Francesco Cossiga within the congress, however, to stitch up government seems feasible. The President may well then move towards dissolving the parliament and setting elections for

#### **Spanish** poison oil trial starts By Tom Burns in Madrid

TENSION and drama rounded the opening in Madrid

rounded the opening in maturity yesterday of a trial of businessmen accused of the manufacture and distribution of adulterated rapeseed oil six years ago that allegedy caused widespread deaths and illness. Hundreds of victims of what came to be known as the toxic

came to be known as the total oil syndrome demonstrated outside a large auditorium in Madrid's western outskirts that has been refurbished to serve as a court room. They were held back by police as the 38 defendents arrived for the hearing. dents arrived for the hearing.

As the crowd outside chanted "We want justice and health," court officials read a very brief resume of the 250,000 pages of written evidence collected: in the course of the investigation and the first defendent, a San Sebastian businessman who imported oil for industrial use.

The prosecution case is that rapeseed oil, destined for the steel industry and laced with aniline to prevent its consumption, was illegally treated to

tion, was illegally treated to remove the additive and make it fit for household use. door to door salesmen, allegedly bring down turned out to be a lethal killer and was responsible for 584

people.

The toxin that allegedly prompted the paralysis and disfigurement of its victims has never been identified and a contention remains that the catastrophe was caused by pesticides.

The parliamentary debut of Spain's new conservative leader, Mr Antonio Hernandez Mancha, yesterday took on a distinctly lackinstre appearance as he failed to rally support from other opposition groups behind a no-confidence vote against the Socialist Government. This

Socialist Government, debate sonsored last week by his Allanza Popular party.

Prime Minister Felipe Prime Minister Felipe Gonzalez, whose Socialist Party holds 184 seats in the 350-member congress, had no difficulty in surviving what had been the first censure motion levelled against his govern-ment. In addition to his party's outright majority he was able to count on support from Communist and from Basque nationalist deputies.

## Portugal clears way for sale of company holdings In exceptional cases, the de-cree says, the Cabinet could decide not to allow divestment. Rapid nationalisation of half

EXPANSION of the Portuguese

capital market should be en-hanced by revised legislation, published this week, which Portugal's fixed capital in 1975, when interwoven holdings of the country's large economic groups were swept chaotically into the public sector, and state intervention in hundreds allows state-owned concerns to shed minority or majority holdings in companies with assets worth more than Es 600m Aware of heavy demand and of small companies decimated the stock market. When the revolution died down, there

Aware or neavy demand and chronic lack of paper on the market the Cavaco Silva Government in its 1987 budget proposals included a clause permitting divestment of a range of public sector holdings. The left-wing opposition altered this clause demanding that sales of shares be subject to special-decree laws, but it later softened its stand.

The new legislation recently promulgated by President Mario Soares stipulates that if a group of public companies hold what is tantamount to an absowhat is canamount to an asso-lute majority of shares in an enterprise, the Government may authorise divestment through sale on the stock market or by

# age the stock market; and try to shrink the public sector, by, initially, shifting holdings in smaller companies from the state to the stock market. Treasury officials recently claimed that if public sector companies could shed part of their complex holdings it could bring \$1.2bn worth of shares onto the market. Left coalition proposed

PORTUGAL'S left-wing opposiminority Social Democrat administration with a motion of censure scheduled for Friday, is deaths and for the serious censure scheduled for Friday, is illness of an estimated 25,000 suggesting that a coalition of the left could fill the gap caused by the ending of Prime Minister

stration. The proposers of the surprise motion — the Democratic Renewal Party (PRD) a small politically-unclear movement run by Gen Antonio Ramalho Eanes, the former head of state, are talking today to the largest opposition party, the Socialists. Mr Victor Constancia, the Socialist leader, and former governor of the Bank of

Portugal initially spurned the PRD action and offered to negotiate a compromise with Mr Cavaco Silva. He was rebuffed and now seems to favour a parliamentary coalition instead of a snap general election likely to punish severely parties that back the censure motion.

The hardline Communists also want a left-wing solution. They have sought a place in government ever since their rejection Mr Cavaco Silva has produced by the electorate in 1976 a long spell of now-shattered excluded continuation of the stability.

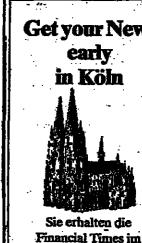


Mr Cavaco Silva power sharing they enjoyed in

coalitions in 1974 and 1975. A coalition bid on the excuse that more people voted for the opposition than the Social Democrat's 32 per cent gives President Mario Soares a tough choice. After the censure vote, he must hear out all parliamentary parties and decide either to accept opposition proposals or call a snap election.

His peaceful coexistence with

Mr Cavaco Silva has produced



Boten zugestellt. Näheres erfahren Sie von

Financial Times. Europe Ltd. Telex 416193

## **Border Germans fear hazards of waste dumping**

David Marsh looks at protest over an industrial rubbish tip

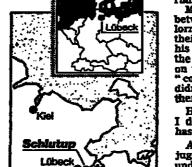
crossed the border only twice nate the water supply, Mr in the 42 years he has lived in Ruescher says the heavy trucks

duces too much rubbish," said the young man, clad totally in green, standing by the side of a snowy north German wood-land road. "It cannot go on like

The words came not from one of West Germany's flery ecological politicians but from a green-uniformed customs official in charge of the border crossing point at Schlutup, a small fishing community next door to the medieval city of with East Germany.

Mr Uwe Neitzel and his customs men are responsible for checking the heavy lorries carrying daily to East Germany thousands of tonnes of household and industrial waste from the Federal Republic and other western European countries. The rubbish, bound for East

architects of the original 1979 Germany's huge dump at Nato "two track" decision to Schoenberg, three miles Schoenberg, deploy medium range nuclear away across an ominous wire weapons in Western Europe, fence on the other side of the said he believed no INF accord East-West divide, has attracted could be reached before 1990. a tide of criticism during the



East

Germany

past few years from local resi-

West

Germany

HAMBURG .

rumbling on.

Mr Neitzel reports that between 130 and 150 heavy lorries per day are grinding their way eastwards. Choosing his words with care, he says that the piling up of hazardous waste on the other side of the border "could be dangerous if we didn't know that conditions there were safe."

An elderly man who sees the

tury house is built at the side of the road only a few feet away from East German terri-Mr Breest was born in Meck- Apart from the long-term lenburg down the road in what danger that poisonous waste is now East Germany. He has from Schoenberg could contami-

morning" when he speaks to them in a sign of a slight thaw over the years in East-West re-lations. Pausing while sawing wood in his outhouse, Mr Breest says

I don't see why all that waste has to come here."

juggernauts passing literally under his nose is Mr Arthur Breest, whose turn-of-the-cen-

he hears the lorries every morn-He adds: "As a Leubecker, don't see why all their even more clatter," he says Down in the little town of Schlutup, the mood is more

who now at least answer " Good

"In 20 or 30 years, our children will say we were crazy to allow this," says Mr Juergen Ruescher, manager of the local grocery store facing the frozen estnary.

the house. His neighbours are wafting diesel fumes over his says he believes it is "con-

The rubbish is the East German border guards, neat fruit and vegetable stand on. who now at least answer "Good are cracking the walls of

"Who is going to pay for this? The German states (Laen-der) should look after their own rubbish, not bring it here." he says with the weariness of a man who knows his advice, however sound, is not going to be heard.

Weariness is certainly in the Weariness is certainly in the air at the Luebeck city council.

Mr Egon Hilpert is the official responsible for the Byzantine and seemingly hopeless task of bringing 65 separate legal actions throughout West Germany to the test the Waste many to try to stop the waste

A classical music lover, Mr Hilpert says glumly that he now wants to hang up when people telephone about Schoenberg. German government. Mr Hilpert

scientiously run," but scientists cannot rule out, he says, that toxic substances from the dump will seep through into the water table over the next decades. The city council has hired a Bonn law firm to handle the expensive busines of actions against five Laender which insist on sending their rubbish to

The legal procedures, started last year, have brought conciliatory pledges from Laender such as Baden-Wuerttemberg and Searland which are anyway not large users of the dump. But the legal tussles with Hamburg. North Rhine Westphalia, Lower Saxony, Bremen and Lueback's own state of Schleswig Holstein have sharpened.
"It could take years to settle,"

says Mr Hilpert. In the mean-time, traffic to Schoenberg has been reduced during the winter because of the difficulties of loading frozen rubbish. But Mr Hilpert says he believes that The Schoenberg tip is the once spring sunshine thaws the source of large amounts of stockpiles of western waste foreign exchange for the East awaiting transit, the fleets of



**Get your News** 

Financial Times im: Abomement durch

Guiollettstraße 54. 6000 Frankfurt/Main 1 Telefon 069/7598-0



ai 1681

law

help

ATTENDED TO THE PARTY OF THE PA

A CALLED TO THE PARTY OF THE PA

Krad Bath Constants

20 Land 12 Con 1

As that may be for the first that th

.....

TIME

Secret Transition of the Control of

5 575 E

1.00

News.

in

....

, ....

5---- FA

4 V.

## China aviation chief bypassed on Cathay stake

BY ROBERT THOMSON IN PEKING

the state run China International Trust and Investment Corporation it (the investment). (Citic) before it took a stake in Ca-

Cathay as Hong Kong's flag carrier. statements.
Mr Hu, Director General of the

Bearing Civil Aviation Administration of China (CAAC), said of the 12.5 per stake, worth \$250m, taken by Citic in late January. "I only heard about this by reading the newspapers. Of course, when I read the news, I said to the Citic people that this is really quite a surprise."

The stake was taken by Citic (Hong Kong), a subsidiary of the Peking-based investment body, after less than a week of negotiations with Swire Pacific, Cathay's parent.

consulted the country's most pow-erful civil aviation official Mr Hu told the Financial Times that Citic officials had explained later that they could not tell him about the deal because it was "confidential commercial business" and that "if we disclose this before, then we have to spend more buying these

Mr Hu said the purchase was a "purely commercial action," but man, said then that the Citic relamade clear that he expects to be tionship "is a key one, recognising consulted by Citic before future the political realities, and the longdealings in Cathay shares: "They term future of the airline."

MR HU YIZHOU, China's aviation would come to me to seek some inchief, yesterday made the admission that he was not consulted by whether this airline is doing okay the state or China consulted by or whether they would want to end

thay Pacific Airways that had been managing director, was extremely interpreted as Peking's backing for surprised yesterday by Mr Hu's Mr Peter Sutch, Cathay Pacific's

> Bearing in mind that we were talking about a major investment in foreign currency, it is inconceivable that such an arrangement could have gone shead without central approval. It would be impossible for a state organ to go ahead with a deal like this without the approval of other concerned state organs," he

The Cathay purchase is by far Citic's largest investment and its most unusual, as it has generally fo-Swire officials noted at the time cused on buying resources needed that we have done this deal pretty rapidly."

In this bought into the US timber in the US ti Too rapidly, it seems, for Citic, which has wide-ranging powers under its government brief, to have

Diplomats in Peking and the Hong Kong business community had interpreted the Cathay pur-chase as a show of Peking's support for the airline as the de facto Hong Kong flag carrier in the lead up to over Hong Kong in 1997.

#### **Britain 'wants Brunei in** five-power defence pact'

BY WONG SULONG IN KUALA LUMPUR BRITAIN would like Brunei to as a second join the five power defence arrangement, Mr George arrangement, Mr George Younger, the British Secretary of State for Defence, said in

Kuala Lumpur yesterday.
His statement coincided with
the official visit to Brunei by Dr Mahathir Mohamad, Malaysia's Prime Minister.

Brunei's participation in the five-power defence pact is seen

for the oil-rich sultanate.

The first "shield" is the Sultanate's membership of the Association of South-East Asian Nations (Asean).

The five-power defence arrangement links Malaysia and Singapore in a loose defence tie up with Britain, Australia and New Zealand

#### SENEGAL: AUSTERITY TO GROWTH. IMF's model pupil seeks recovery aid

BY NIM CASWELL, RECENTLY IN DAKAR

ONE OF the International cent in 1986.

Monetary Fund's model clients Such indicators have gained INE OF the model chients Suc Ionetary Fund's model chients Suc in Africa will today be asking aid donors to back a recovery programme designed to lead from austerity to growth.

At a two-day donor conference opening in Paris, chaired by the World Bank, the Govern-ment of Senegal will present funding requests of \$600m (£428m) a year over a planned period ending in 1992.

Senegal's capital, Dakar, with its Atlantic port and elegant colonial architecture, was once the centre from which the whole of French West Africa

was administered.
The city is looking distinctly shabby now, its population swollen by peasants displaced by successive Sahelian droughts.

The city is looking distinctly the "Paris Chub" at the beginning of December, and bilateral negotiations are nearly complete. Despite the relatively developed infrastructures and manufacturing base inherited on independence in 1960, the economy remains dependent on a few primary exports—ground-nuts, fish, cotton and phos-

Agrictulture still accounts for close to 20 per cent of GDP and more than two-thirds of send more than two-thicks of Senegal's 7m people are rural-based. Living standards are low, with GDP estimated at CFAfr195.000 (about £400) per

head in 1986. In common with many of its In common with many of Its neighbours, the country has spent most of the 1980s under intensive care from the World Bank and the IMF, implementing a classic combination of budgetars ansierity. trade budgetary austerity, trade liberalisation and demand restraint in order to bring budgetary and balance of payments deficits under control.

The results in terms of the

ments deficits under control.

The results, in terms of the Fund's "magic indicators" at least, have been impressive. Public expenditure has been slashed from 32 per cent of GDP in 1980-81 to 21 per cent in 1985-86, and net government borrowing from 11.5 per cent to 2.1 per cent of GDP over the same period.

The balance of payments cur-

The balance of payments current account deficit, excluding public transfers, meanwhile fell from 25.8 per cent of GDF in 1981 to an estimated 114 rent account dencit, excluding public transfers, meanwhile fell prospect of meeting external from 25.9 per cent of GDP in debt obligations without indefinite rescheduling.

Senegal the status of model pupil of the IMF.

With the help of some judicious juggling and aid disbursements, all the Fund's performance criteria under the latest stand-by and structural adjustment facilities were met at the end of December.

A new World Bank structural adjustment loan to replace that adjustment loan to replace that agreed in February last year, which was disbursed in record time, should go before the Bank

board in May.

A new round of debt rescheduling — Senegal's fifth — was also agreed in principle by the "Paris Club" at the beginning of December, and bilateral

That places Senegal further along the road to economic reform than almost any other African country and makes it likely that aid donors will come up with the bulk of the funds the government is seeking. What is less clear is whether

the adjustment programme can now shift gear from austerity to expansion and attain even the modest 3.5 per cent annual growth rate targeted for 1987-

GDP growth in 1985 and 1986 is estimated at 3.8 and 4.6 per cent respectively. But although those figures marke a distinct improvement on what went before, they mainly reflect agri-

before, they mainly renect agricultural recovery from drought rather than the beginnings of a sustained recovery.

A new industrial policy announced in early 1986 has already reduced protection of local industries, with revisions to import tariffs last July and a phased elimination of quantitative restrictions on imports of phased elimination of imports of locally produced goods at present under way.

Of more immediate concern,

there are those in Dakar who are wondering just how much more austrity Senegal's traditionally tolerant political system can stand.

But officials privately doubt whether there is any realistic

### HK to act on refugees

THE Hong Kong Government which has to go before the plans to screen Vietnamese British Government for final approval, comes at a time of plans to screen Vietnamese boat people arriving in Hong Kong waters in future. Those found to have left for economic reasons will be returned to Vietnam according to Mr David Jeaffreson, Hong Kong's Secre-

screening proposal,

increasing auxiety over the prospects of finding homes in the West for the 8,000 refugees at present filling camps in Hong Kong. Mr Jeaffreson said yes-terday that their prospects of resettlement were "not very

#### High yen hits output of industry in Japan

JAPAN'S MINING and manu facturing output rose a marginal 0.3 per cent in February from January, Ian Rodger reports from Tokyo.

The Ministry of International Trade and Industry (Miti) said the seasonally-adjusted figure showed that industrial activity remained sluggish in the country because of the impact of the high yen. Only the electric machinery and metal industries sectors showed production in-creases in February. Excluding seasonal factors,

output was up 0.6 per cent. The output index stood at 122.7 at the end of February compared with a 1980 base of 100. Mit has forecast an increase of 3.2 per cent in output for March, but a 3.4 per cent decline in April.

#### Terry Waite move

HOPES of fresh news about the missing church envoy Mr Terry Waite suffered another blow yesterday, after the Lebanese Druze leader Mr Walid Jumblatt spent 21 hours with Foreign Office officials in London—but was unable to confirm whether Mr Waite was alive or dead. The Foreign Office said Mr Jumblatt had promised to try to find Mr Waite and other hostages, and secure their release

Lebanon sinks into economic despair THE VIRTUAL collapse of **PALESTINIANS** Lebanon's pound is a near-perfect index of the country's misery 12 years after the out-

break of the civil war. The pound depreciated 380 per cent in the past year against the dol-lar, reflecting almost total despair among Lebanese at prospects of an early end to hos-

Even the Syrian military intervention which brought relative calm to West Beirut failed to restore confidence in the battered local currency. The pound appreciated briefly last month before sinking back to its present level of more than L£100

to the dollar.

The Lebanese pound's rapid depreciation has helped fuel an alarming surge in prices. Prices rose more than 100 per cent last year, according to some estimates. Lebanon depends on imports for 80 per cent of its food-The inflationary spiral is play-ing havoc with businesses, household budgets and the Gov-ernment's ability to protect the living standards of citizens.

An informal indexation is operating in Lebanon but there is no formal mechanism to provide a cushion against inflation's worst ravages. A recent 40 per cent pay increase for government workers made little

beseiged Chatila camp in Beirut's southern suburbs are on the brink of running out of food, a Canadian surgeon working in the camp said yesterday, Andrew Gowers writes.

Dr Chris Gianneo

ing on a radio link-up—said the situation in Chatila, which has been intermittently under slege by Shia Amal

in a year. The middle class are selling land, cars, furniture and jewellery in an effort to survive. Basic health care is proving beyond the means of many Lebanese. A rudimentary government health insurance programme pays just 1£400 (US\$4) towards an operation that is likely to cost hundreds

muggings. A Shia woman from West Beirut said there were even cases of food muggings by people desperate to feed their families.

Lebanese, who have managed

militiamen and the Lebanese army since the end of 1985, new be worse off than these in Bourj al-Barajneh, the other large Palestinian camp

Tony Walker, recently in Beirut, reports on the collapsing pound

been complete," he said. "We have had only three lorryleads of supplies in the past six weeks, and the last of

a year ago. A staple item such as lentils has rocketed from Le5 per kilo to Le82 a kilo A staple item

of dollars. The pound crisis has led to an increase in robberies and

40 per cent pay increase for to survive years of turmoil, are fidence in the pound has Statutory impositions on the government workers made little finding the economic crisis a collapsed in a relatively short banking system are expected to prospect of an improver, adding to the budget deficit.

People complain that fruit well-to-do middle class, are elected president in 1982 the and vegetables are 10 times living below the poverty line. local currency was still trading more expensive than they were There are reports of well-

has deteriorated to the extent that its 3,200 inhabitants may

in Beirut.

dressed Lebanese scavenging in refuse dumps for scraps of food before dawn so they will not be seen by friends and

be seen by friends and neighbours.

The pound crisis has helped breed a nation of currency speculators which itself is contributing to pressures on the pound. Most Lebanese with funds at their disposal converted them long ago to foreign currencies.
The biggest denomination banknote is the L£250, worth

less these days than \$2.50. The Lebanese pound note itself is not worth the paper it is printed on, a humiliating circumstance for Lebanon, which once prided itself of being the Switzerland of the Middle East.

The extent to which con-

those, 10 days ago, was fired on."

Since the latest upsurge in the "camps war"—in which an alliance of Lebanese militias has been trying to prevent the re-establishment of any Palestinian fighting forces in Beirut—began last November, 105 inhabitants of the camp have died, and a total of 580 have been

years after civil war broke out. Its accelerated depreciation in the past year may well mark something of a watershed in the hopes of Lebsnese who had clung, long after it seemed reasonable, to a vague notion that a political solution would be found to be because the solution with the solution would be solved. found to Lebanon's difficulties. Lebanon's budget deficit is contributing to pressures on the pound. The 1987 budget fore-

easts expenditures of L£69.25bn (\$630m) against receipts of just L£4.25bn (\$38.6m) from a shrinking customs duty and tax The Government

financing the deficit by sharply increasing the ratio of deposits banks are required to hold in treasury bills, squeezing liquidity in the process. Statutory impositions on the

value of the pound. The bank intervened in the market late last year, outlaying \$500m, about half Lebanon's foreign exchange reserves, in an effort to stop the pound's depreciation.

The measure failed. Lebanon's gold reserves of 9.2m troy ounces valued at between \$3.5bn.\$4bn are shoring up the pound against total collapse. About 60 per cent of the reserves are held at the cutral bank in West Beirut, the part of Fort Fort at he US rest at Fort Knox in the US. Lebanon's foreign debt totals a

Political disagreements are preventing the gold from being converted to interest bearing foreign currency deposits to help the Government through

economic crisis. Lebanese industry, which for about 20 per cent of Lebanon's economy, is the one sector to have benefited from the depreciation of the currency. It is highly competitive and this is reflected in its strong export

Another consequence of the chaos in Lebanon is that little new investment is entering the country. Bankers estimate that \$12bn-\$16bn is deposited in Lebanese banks abroad.

Bankers, businessmen and officials in Beirut see little prospect of an improvement in the economy, however, in the absence of a political settlement. Prospects are for increasing budget deficits and further

If you didn't find the headline a little daunting, we're off to a good start.

At BSC Industry we feel a responsibility to be tough about the kind of projects we become involved in. Our job is to help businesses create jobs and that means taking a long hard look at every potential opportunity we can find.

While we have helped many businesses get started, we tend more often to get involved at the second stage of development, that is when resource, whether management, finance or product development, is beginning to be outstripped by the success of the product.

We seek out and help those with the determination to help themselves and we're happy to say it's working.

**GESTURES IN** 

**HISTORY** 

**BEING HANDLED** 

BY THE

**TOUGHEST TEAM** 

and the bringing together of all available resources.

Whatever your needs, the people you'll deal with have themselves held key management posts, either in industry or finance, so tough though it may be, the advice you'll get will help you work out exactly what's best for your business.

#### WE CAN BOAST VERY FEW GRATEFUL CLIENTS

The kind of person we're most proud to help will rarely acknowledge any assistance.

The boss of a micro engineering firm puts his success down to the fact that he and his men are 'the best in the bloody business' and he's probably right. Either way, because of him, 37 people are now working where none were before. So we're happy.

#### 18 AREAS OF OUTSTANDING OPPORTUNITY IN ENGLAND, SCOTLAND AND WALES

West Cumbria, Derwentside, Hartlepool, Teesside, South Humber, Rotherham, Sheffield, Corby, Dudley, Lanarkshire, The Garnock Valley, Cambuslang, Deeside, Llanelli, Blaenau Gwent, West

Glamorgan, South Glamorgan, South Gwent. Areas that have traditionally created

much of Britain's wealth. We have helped set up regional Enterprise Agencies in these areas, run by local people with local knowledge and local contacts.

Working through these agencies we will help you to make your business grow.

#### YOU'RE ALREADY UP

NOW LET'S GET YOU RUNNING If you've read this far, you will realise

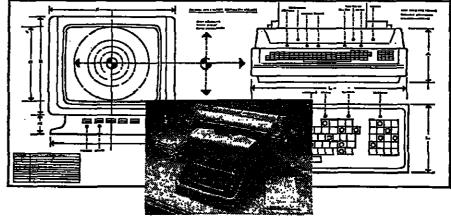
we are not a charity. We are looking to help achievers, because we know that they, in turn, will help

create opportunities for everyone. We'll help with support, we'll help with advice and where appropriate we'll

help with money. Most of all, we'll help you to

help yourself. Phone the Action Desk on: 01-686 2311. British Steel Corporation (Industry) Ltd.

Canterbury House, 2-6 Sydenham Road, Croydon CR9 2LJ.



**HELP YOURSELF** 

## To date, more than 2,500 new projects have been created and thousands of people are again

gainfully employed.

#### WHY DON'T WE JUST GIVE ALL THE MONEY TO THE UNEMPLOYED?

First of all, we're not about giving money to anyone. Although we have already invested over £20,000,000 where financial help was needed and we could see a real opportunity for growth.

The parts of Britain we call Opportunity Areas

don't want handouts. What they need are growing businesses. It doesn't matter whether they are big or small, providing they are viable.

#### HOW CAN WE HELP YOU?

If you have got a business started, you'll probably have a clear idea of what you need already.

We can help you in a variety of ways; with finance, advice, low outlay premises, local knowledge

## Ecuador to receive oil loan from Venezuela

BY JOE MANN IN CARACAS

VENEZUELA will loan Ecuador 7.5m barrels of oil until the end of July to help the Quito Government maintain petroleum exports following earthquake damage to its oil production installations.

These new oil shipments will be in addition to the 5m barrels of oil Venezuela has already begun sending to Ecuador in order to meet the country's domestic energy needs.

The announcement of the new loan was made by Mr Arturo Hernandez Grisanti, Venezuela's Minister of Energy and Mines. Venezuela was one of the first countries to aid Ecuador after recent earthquakes damaged the country's oil production facilities and its main pipeline, making it impossible to supply domestic energy needs or continue

Assistance from Venezuela will from oil exports.

ador's domestic and foreign com-mitments. Venezuela's state oil joint ventures overseas. company, PDVSA, does not produce

According to industry reports, Venezuela is buying substantial volumes of crude oil on an international market in order to meet its own begin paying back Venezuela's 5m commitments overseas, especially barrel portion over a six month pefor shipments to the refinery it riod (at a rate of about 65,000 barleases on Curacao and to the Citgo rels per day), while the 7.5m portion petroleum refinery in the southern US, where it is a partner.

Venezuela's crude production ca allow Ecuador to continue obtaining pacity is considerably higher than some foreign currency revenues its current actual output. But this from oil exports.

However, Venezuela will not be able to supply oil to meet all of Ecumore light and medium weight

Mr Javier Espinosa Jeran, Ecuadall crude types required by Ecuad-or's Minister of Energy and Mines or's foreign clients, and more important, does not have surplus can be country's state oil company, pacity to produce all the oil Ecuador CEPE, expected its oil production and shipments to be resumed on August 1.

> He also said that Ecuador would would be returned over a longer pe-

## Alleged US spy urged 'to lie'

SERGEANT Clayton Lonetree, a Marine embassy guard accused of spying for the Soviet Union in Moscow, gave conflicting accounts of his role in three interviews with investigators, Reuter reports from

A report in the New York Times cited 23 pages of declassified memoranda from investigators, made saying. "Here's a kid in the Marines

dictators Francois and Jean-Ciaude Duvalier from holding

1,496 polling stations, 99.81 per

The military-civilian National

cent had been in favour of the

ruled Halti without a constitu-tion since Mr Jean-Claude Duvalier, son of Francois, fled the country on February 7 last

year after thousands of people

Naval Investigative Service admitted at a preliminary proceeding that a preliminary proceeding t The lawyer said one agent of the

**Haitian poll shows strong** 

backing for constitution

Suddenly he's in Moscow and Vienna and I think he created a fantasy

cow led him into espionage involving her purported uncle "Sasha," the newspaper said.

## US faces bill of \$2.8bn to destroy chemical weapons

whether to build new US gas weap-ons, AP reports from Washington. will cost between \$25n and \$2.8bn to destroy the stockpiles.

A change that could be made is the current 1994 deadline set by Congress last autumn for the army to dispose of all the weapons. The service admits it will be difficult meeting this target.

No US chemical weapons have been built since 1969, when President Richard Nixon ordered a halt to the programme. But when Presi-dent Ronald Reagan took office six years ago, he sought to restart the US chemical production because he said it was needed to offset a growing Soviet gas arsenal.

quest two years ago after a long and controversial fight, but also decided to eliminate the current stockpile following reports the weapons were aging, obsolete and sometimes dangerous. Some of the weapons date to World War IL According to army spokesman

Congress finally approved its re-

THE US Army believes it will cost Mr Phil Soucy, the service has thouas much as \$2.8bn to destroy thon-sands of tons of gas weapons. The sands of tons of obsolete chemical exact amount is classified, though weapons, a program ordered by published estimates have put it at Congress as part of the battle over about \$6,000 tons. The army says it

The most recent cost figures were sent to Congress last week as a congressional committee prepared to begin writing a Pentagon budget for the fiscal year starting October

The US arsenal basically has three types of chemicals: Mustard Gas, which first was used during World War I; the short-lived nerve agent GB; and the longer-lasting nerve gas known as US. Mustard Gas attacks the lungs, while nerve gases attack the central nervous system after being absorbed through the skin.

When the chemical arsenal was created, there were few concerns about how to get rid of it during a time when toxic leaks were little cause for concern. "When this stuff was first made.

if you'd ask the army how they would destroy it, I think they would have said bury it," Mr Soucy said. The weapons are stored at eight army sites in the continental US, along with another on Johnston Atoll, a deserted Pacific island

south of Hawaii.

Scientific studies have shown the best way to destroy chemical weapons is burning them in a closed con-tainer, according to Mr Soucy, and three different incineration plans are under consideration.

## Mexican left-wing parties unite

BY DAVID GARDNER IN MEXICO CITY

HAITIANS have vocad overwhelmingly for a new constitution which includes a clause tion which includes the contract tion which MEXICO'S two major parties of with Mexico's manicial collapse the left, the Unified Socialist in 1982. For the past five years Party (PSUM) and the Mexican Workers' Party (PMT) and three smaller groups have combined to create the Mexican Socialist Party (PMS).

Leaving aside three self-proclaimed left wing parties which function as adjunct's of squeezed the PRI which, though traditionally all-embrace. electorate is expected to have voted nationwide once all the

office for 10 years, according to first results, Reuter reports from Port-au-Prince.

The Ministry of Information said yesterday that of votes was the most important in influencing their vote, and was been said yesterday that of votes was the most important in influencing their vote, and was been said the anti-Duvalier clause was the most important in influencing their vote, and was said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was the most important in influencing their vote, and was a said the anti-Duvalier clause was a said the ruling Institutional Revolu-tionary Party (PRI), the re-unification leaves out only one pendent observation team said: "We are seeing a massive vote significant force, the Trotskyist Revolutionary Workers Party (PRT), and opens up the possi-bility that the left may now Only one violent incident was Council of Government has reported when a gunman in the ruled Halti without a constitution since Mr Jean-Claude to prevent people from voting. Duvaller, son of Francois, flee according to a Haltian radio play a relevant role in national politics.

nonnes.

The left's has been largely incapable of capitalising on the discontent caused by the deep economic crisis that opened report.
The low turnout was widely took to the streets in riots blamed on government failure against him.

MEXICO'S two major parties of with Mexico's financial collapse

influence in the depressed south east, the left has not really squeezed the PRI which, though traditionally all-embracing ideologically, has lost the confidence of a majority of Mexicans, whom it continues to allienate by rigging elections.
The left's major problem has been that it has produced dozens of splinter groups rather than mainstream parties. It has also found it difficult to establish a voice clearly distinct from the formally left-wing pro-

The ruling party's rhetoric has fostered wide-spread cynicism about the prospects of progress for the majority, while its near total power has simultaneously driven home to all that what social and economic advance does take place is available only through official channels. A village needing a new water well would be unwise to seek it through the left wing

Mexico was home to one of the first modern social revolu-tions in 1910-17. But in the seven decades since then the country has been dominated by the PRL During that period the left-wing has spawned several dofien parties and groups.

#### Oil price rise boosts Mexican trade surplus

By Our Mexico City Correspondent

MEXICO POSTED a \$1.5hm (2940m) trade surplus in January and February, 120 per cent up on the first two months of last year and equal to the Government's forecast trade surplus for the whole of this year, according to preliminary figures released by the Planning Ministry.

This remarkable performance reflects the firmer price of oil—Mexico's main export -over the past three months, and the continuing dynamism and the continuity ayand a further contraction in imports from a low level of economic activity. Mexico's economy contracted last year by 3.5 per cent of GDP.

It is therefore neither likely nor desirable that monthly surpluses will con-tinue at this level, once the Government's phased re-covery gets under way in the second quarter, financed by new foreign credit of \$7bn-8bn that will now begin flowing in.

Total oil exports for the two months were \$1.350n, up 6 per cent on the same period last year, but non-oil exports were worth \$1.850n, up 19.5 per cent on January-February 1986, with a 42 per cent rise in exported manufactures, the brightest development in the Mexican economy. In Mexican economy. In November, non-oil exports paid the country's import bill for the first time.

Total exports for January and February were \$3.2bn (up 23.4 per cent) against imports of \$1.7bn, down 21 per cent on the same months in 1986, when import levels were already depressed as the fall in oil prices began turning into a college. into a collapse.

The Government foresaw an overall budget surplus of \$1.5bn, but present trends suggest it may exceed last year's of \$4.27bn.

The Government foresay an average oil price of \$12 an average on price of \$15 a barrel in the budget against the current average price for Mexican eil of \$15.50. This would have given non-oil revenues of \$5.7hm and a \$1hm rise in non-oil exports to \$10hm. Imports were forecast to resel \$14.7hm. The hudget to reach \$14.7bm. The badget surplus in 1985 was \$8.4bm compared to a record surplus in 1984 of \$13bm.

## Bankers attack Senate financial services bill

BY WILLIAM HALL IN NEW YORK

THE US Senate's final version of a controversial financial services bill which imposes a services bill which imposes a one-year moratorium on the granting of expanded securities powers to US commercial banks was attacked yesterday by US and foreign bankers.

The Consumer Bankers Asso-The Consumer Bankers Association, which represents retail banks, savings and loans and credit unions, said it was "deeply disappointed" with the passage, the Competitive Equality Banking act, The Institute of Foreign Bankers, said it was "strongly opposed" to certain provisions in the proposed legislation which appear to curb the activities of some of its 230 foreign bank members. members.

The proposed legislation, which was passed by a 79 to 11 vote on the floor of the Senate late last week, covers several issues including the \$7.5bn recapitalisation of the Federal Savings and Loan Insurance Corporation (FSLIC) and the so-called regulators bill designed to increase the powers available to Federal banking officials in dealing with US banks which run into trouble.

Both these measures have wide support within various factions of the financial com-munity, However, the question of giving commercial banks greater powers to engage in the securities business, emerged as the most controversial issue in

Workers vote to end strike

the debate on the proposed

A key element concerning a ban on the extension of securi-

ties powers to commercial banks, was modified in the face of fierce criticism. Under the

of heree criticism. Under the latest legislation; banks are prohibited from engaging in any new securities, insurance or real estate activities that the Federal Reserve might approve until March 1, 1988.

However, the Senate indi-cated that it was not the intent-to extend this moratorium beyond March 1, 1988. The Con-

sumers' Bankers Association argues that if the bill survives in its present form it should be vetoed by President Reagan.

The Institute of Foreign Bankers said yesterday it was strongly opposed to two provisions which appear to prevent expansion by foreign hank securities affiliates, whose activities had been "grand-tathered" under the 1978 International Ranking Act. and

national Banking Act, and aonther provision which appears

to prevent fereign banks from buying foreign non-financial businesses if the company has

Mr Lawrence Uhlrick, the executive director of the Nek York-based Institute of Foreign Bankers, said yesterday the problems could be resolved in

the conference between the Senate and House of Repre-

sentatives' banking committees.

interests in the US.

Senate legislation.

at GM truck complex CAR workers agreed to a when their jobs went to sub-

car workers agreed to a setlement over a contract dispute with General Motors yesterday, ending a four-day strike at the company's truck and bus complex, Reuter reports from Pontiac, Michigan.

A United Auto Workers official said members had agreed to a settlement that provided for a \$1.5m pay.

Motors for an alleged violation of a 1984 contract, and for the rehiring of about 20 workers who were made redundant when their jobs went to subscending to some \$1,000 workers walked off their jobs at the bus and truck plant on Thursday, but worked overwhelmingly by 1,514 to 25 to accept the settlement.

Workers alleged that the company had violated their contract ors.

#### gramme of the PRL WORLD TRADE NEWS

## Nigeria plans notes issue for trade creditors

BY MICHAEL HOLMAN, AFRICA EDITOR

NIGERIA plans to issue \$1.5bn (£938m) worth of promissory notes on April 7 in part pay-ment of uninsured trading arrears accumulated in the early 1980s, it was announced

The announcement, by the Law Debenture Trust, which is the trustee for the holders of some \$1.5bn worth of notes already issued, is seen by creditors as an important step towards the resolution of a complex problem which goes back to the early 1980s, when wide gap between uninsured Nigeria's oil revenue started to fall and arrears in trade payments, both insured and uninsured, mounted.

The Nigerlan Government attempted to resolve the problem of uninsured trade arrears by issuing promissory notes carrying interest at 1 per cent over Libor (London Interbank Offered Rate), with maturities of six years and a grace period of two-and-a-half years. The principal was due to be repaid in 14 equal instalments.

14 equal instalments.

However, shortly before the pleting the reconciliation exercise.

lgerian central bank told first instalment was due, the Nigerian central bank told noteholders last October that it was unable to make the payment. The bank said it export credit agencies, covering would call a meeting of note-

ment on the notes which fell due on January 5.

This meeting has yet to take place, but yesterday's announcement said that the central bank planned to hold it at "an early

yesterday.

It will bring the value of notes issued to around \$3bn, but traders are thought to be claiming a further \$2bn to \$3bn, which is disputed by

Gate.

date.

the holders of the new more to be issued on April 7.

The Law Debenture Corporation said yesterday that it had appointed Mr David Murison as the financial adviser representing the interests of the note-holders in the forthcoming discussions. Mr Murison, an experienced international banker, is currently chairman and director of both Mase Westpac Limited

wide gap between uninsured trade claims which have so far been recognised by the Central Bank and the total claims submitted by traders. Efforts to "reconcile" the two have been under way for nearly five years, but a wide gap remains.

Nigerian officials point out that correction was risk in the

that corruption was rife in the early 1980s and maintain that many claims are either inflated or fradulent. Traders say that the bulk of the claims are legitimate, and are increasingly

would call a meeting of note insured trade arrears, when holders to negotiate the new it reached agreement with terms, but in the meantime also Britain's Export Credit Guaranfailed to make an interest pay-

# **Jardine** airport

JARDINE MATHESON Holdings, Hong Kong's oldest trading house, has said it is ready to contribute 5 per cent of the capital to a private consortium led by Hopewell Holdings, the property group, to develop a new airport west of Hong Kong, according to Hopewell's executive director, Mr Stewart Elliot.

The HK\$25bn (£2bn) project was reached at a meeting between Mr Gordon Wu, Hopewell's managing director, and two Jardine directors, Mr Henry Keswick and Mr

the project off, and that Jardine would be considered a more

said Hopewell and Cheur Kong would each contribute 20 per cent of capital. Jardine's 5 per cent stake would amount to

response to the project was initially lukewarm, but in February a team of top officials met with representatives of the consortium for discussions. The Government jettisoned similar plans for an airport in 1982 because it was considered too expensi

Colina MacDougall reports on growing economic contact

## Moscow and China expand ties

TRADE between China and the Soviet Union increased by more than a third last year to \$2.6bn, with Chinese exports at \$1.2bn and imports at \$1.4bn.

Economic relations between the Communist giants have been minimal since the 1960 Sino-Soviet split but under Moscow's post-Brezhnev leaders, particularly Mikhail Gorbachev, commercial and economic contact has boomed.

Moscow, which last year overtook its nearest rival, Singapore, is now China's fifth largest trading partner. While Moscow contributed less than 4 per cent of China's total trade, compared with its number one partner Japan with 23 per cent, its share of trade has an importance far beyond mere

eagerly wooing Peking, more exchanges mean more working contacts between officials and more Soviet technicians advising in Chinese industry after the 27-year break. An important financial factor

can supply perfectly adequate industrial equipment in exchange for silk ties and

Venezuela in

coal project By Joe Mann in Caracas THE Venezuelan National Oil Company said it would sign a letter of intent with Agip Carbone, a subsidiary of Italy's ENI, and Atlantic Richfield (Arco) of the US to develop a coal project in western Venezuela.

The Venezuelan company, Patroleon de Venezuelan

Petroleos de Venezuela (PDVSA) said the letter of intent would leave the door open for association with a third foreign partner, Carboex of Spain.

The project, to be managed by a PDVSA) subsidiary called Carbomlia, will be the largest coal development in the country and has been dis-cussed for more than a decade. It involves developing an open mine at the Guasare coal fields in Zulia state and producing up to 6.5m metric tonnes of coal a year for export

SHANGHAI YARD WINS ORDER

The China State Shipbuild-ing Corporation has signed contracts to build two 6,050 deadweight reefers each for C. F. Ahrenkiet of West Ger-many and the Cyprus-based Columbia Shipmanagement. Each vessel will cost about \$10m (£6.25m).

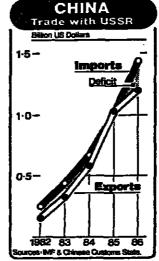
A spokesman said the two buyers each have options for two additional ships of the same type which can be exercised by September.

The four ordered vessels will be built by the Shanghai Shipyard, which is ewned by China State Shipbuilding, and will be delivered in 1989.

electric power generation. The power shortfall last year was officially estimated at 14,000 m/w of capacity and the need for power is growing.

This area is so vast that Island Europe the US and the Japan, Europe, the US and the Soviet bloc could all expect to win sizeable contracts. Indeed

An important financial factor is that purchases from Moscow are paid for by barter, not hard currency which is in short supply in China. Peking has realised that the Soviet Union Last autumn Soviet officials signed a deal for 10 sets of Mw generating units at 210 Mw generating units at almost \$500m to be installed in



for 6,800 Mw of equipment which China will buy before 1993. A 1,000 Mw power plant at Yiming in north-western China has already been agreed. The basis for trade growth has been the \$14bn five-year trade agrrement signed in 1985. A co-operation agreement was also signed under which the Soviets were to build seven plants in China and modernise another 17 built with Soviet aid in the 1950s.

cultural and light industry products for Soviet rolled steel timber, fertilisers, machinery and cement. To boost exchanges both countries last year held exhibitions in one another's capi-tals for the first time in 30 years. New rail and shipping agreements were also signed. Joint projects agreed include a 20m tonne a year open cast coalmine at Yiming and renova-

tions to a paper mill and ore dressing plant. Under separate agreements, joint development is planned along the Amur River on the Sino-Soviet border in the southeast. This will involve water and soil conservation plus development of hydro-electric power. The go-ahead for this was given at recent border talks

in Moscow. Both sides appear

ken on expanding the joint approach.

Some cross-border joint projects have already begun such
as an enterprise at Manzhouli
in China's north-east where the Soviets provide fertiliser and fuel while the Chinese grow and

fuel while the Chinese grow and supply vegetables.

Cross-border trade is small at present but Moscow's problems in supplying consumer goods to its far east regions creates a huge gap which China could fill.

Strategic considerations may mean strict limits to rising border traffic but it still has important potential for Sino-Soviet trade as a whole.

#### shipbuilders to cut capacity By Yoko Shibata in Tokyo JAPAN'S shipbuilders have

Japanese

received permission from the country's Fair Trade Commission to form a cartel to cut production. The shipbuilding companies have been hit by the steep appreciation of the yen and dif-

ficult international and domestic markets. The cartel, which will be

April this year, will allow the 33 companies accounting for the bulk of Japanese shipbuilding to reduce or mothball capacity by 25 per cent. The aim is to cut annual output to 2.998m compensated gross tons (CGT), less than one-third of the 1973-75 peak of

9.8m CGT. Around 35 per cent of ship-building capacity was disposed of in the first 1979-82 recession cartel.

cartel.

This reduction in capacity, however, provide insufficient and, under guidelines set by the Transport Ministry, output for the 33 shipyards was set at a ceiling of 4.1m CGT for fiscal 1985 and 4m CGT for fiscal 1985 and 4m CGT for fiscal 1986 ending this month.

Demand for new vessels in fiscal 1987 which begins next month is expected to fall to about 3m CGT and so the industry decided to form a recession cartel to reduce production by some 25 per cent.

Shipbuilding output by the 33 companies accounted for 88.2 per cent of the industry's total in fiscal 1985.

#### R-R to build Perth plant By Michael Donne,

Aerospace Correspondent
ROLLS-ROYCE is to spend up
to A\$15m (£6.5m) on a new
factory in Perth. Western Australia, to build jet engine
turbine blades, in a joint venture with three Australian.
These are Chapter and the companies.

These are Clough Engineering. Circuit Technology Holdings and Westintech Innovation Corporation. Rolls Royce will have 50 per cent of the venture. The venture is part of an offset deal with the Australian Government following the purchase by Qantas, the Australian flag airline, of Rolls-Royce engines for its Boeing 747 Jumbo jets.

ø

## HK attacks textile quotas

HONK KONG has been severely and unfairly penalised by the quota restrictions placed on it in the extension of the Multi-

inequitable," it claims, because 13 per cent under the subseof its own completely open-door quent accord 2 and 10 per cent policy on imports.
The MFA is the international agreement, operated by the

Fibre Arrangement (MFA) Hong Kong claims its share according to the colony's of UK imports of these products has dropped from 16 per cent Government has dropped from to per cuts "Such penalties are grossly under the first arrangement to under the third arrangement. Such a squeeze, it says, is counter-productive to the UK's General Agreement on Tariffs declared intention that newlyand Trade (Gatt), which reguindustrialised countries should lates the vast majority of trade open up their markets."

## backing for **Hong Kong** By Kevin Hamlin In Hong Kong

proposes an airport on one of four sites, and envisages port facilities, an underground rail-way and highways linking it to Hong Kong Island, the Kow-loon Peninsula and China. The consortium is also backed by Cheung Kong Holdings and Hutchison Whampoa, com-panies in the stable of Mr Li Ka-Shing, the property magnate. Mr Elliott said the agreement

Robert Kwok The development comes in the wake of a row betwees the two companies resulting from the leak of an internal Jardine memo to the local press.

The memo, from Mr Martin
Barrow, Jardine's managing
director, to Mr Keswick, the
group's former chairman, said the Government had doubts about Hopewell's ability to pull

would be considered a more suitable partner.

Mr Elliott responded by saying Jardine was "jealous because Hopewell has come along with an airport proposal which is supported by the Chinese authorities and the local business community."

Mr Wu has said the consortium will raise HK\$5bn, with the Hongkong and Shanghai Bank and Citibank providing loans for the remainder, Mr Wu said Hopewell and Cheur Kong

The Hong Kong Government's

## bamboo shoots. four Chinese power plants. This The bread and butter of the important potential for One crucial area for China is was part of a much bigger deal trade is a Chinese swap of agri- Soviet trade as a whole. Puerto Rico plans tax incentive

BY CANUTE JAMES IN KINGSTON

new proposals to grant tax for the failure to conclude a credits to Japanese companies investing in the island. Mr Rafael Hernandez Colon, governor of Puerto Rico, said the proposals involved "tax sharing" between the islands' administration and large-scale Japanese penetral control of the US and large-scale Japanese penetral control of the Large scale scale and large-scale scale scale and large-scale scale s the companies.

bean possession but the admini-stration is hoping to attract more through an agreement with the Japanese Government, similar to section 936 of the US ally without approval of the tax code. This allows tax-free repatria-

tion of earnings, encourages US companies to deposit their profits in the island, and permits the island's administration by the state department in Washington tion to impose limited tollgate Washington

and large-scale Japanese pene-tration of the US market, and Several Japanese companies was also thought to be a vio-are operating in the US's Carib-bean possession but the admini-tion. As a part of the US, Puerto Rico has limited leverage in concluding foreign political and economic agreements unliater-

and other government officials has surplus electricity, was tricity needs.

PUERTO RICO is considering have played down the reasons planning to sell power to Republic.

The electricity would be sent by submarine cable, for use mainly in the eastern Dominican Republic, which

has inadequate supply.

The governor said the Dominican Republic could build its own power plant, but that this would cost about \$450m (£281m). The facility for sending power from Puerto Rico would cost about \$70m but Mr Hernandez Colon said the financing was not yet

The project, however, is meeting opposition from some quarters in the Dominican Republic, because of fears that Washington the country could become too Mr Hernandez Colon also dependent on Puerto Rico for taxes on repatriated earnings. Mr Hernandez Colon also dependent on Puerto Rico for Although Mr Hernandez Colon said that Puerto Rico, which a significant part of its elec-

هكنامن الأحل



Which airline can launder your shirt in three hours?

Relax. We won't press your shirt by taxiing over it.

Laundry in three hours – round the clock – takes place at our specially selected SAS business hotels. (You can book your room when you book your flight.)

strike

:50

ilders

We know it's unusual for an airline to advertise a service like this. But our aim is to make life easier for people who travel on

business. That means looking after you door-to-door, not just tarmac-to-tarmac.

So when you walk through the door of an SAS hotel, you're guaranteed priority service. You'll even find an SAS check-in counter in the lobby. You can check in for your flight home at the same time as settling your bill. And, at most locations, there's an SAS Limousine service to and from the airport.

Simple, isn't it?
We bet that flying SAS will make your life

In fact, we'll put our shirt on it.

The Businessman's Airline

Kevin Done reports on Swedish Match's acquisition of Wilkinson Sword

refuse.

But there's a catch. Well,

How do you know which

There is an easy answer to all

Simply leave them to our

Widely acknowledged as

colleagues, Wood Mackenzie.

It may seem simple.

actually there are several.

will perform well?

bought and sold?

these problems.

Invest £40,000 in the new Wood Mackenzie Investment Trust Management Service from Hill Samuel and you could get as much as £50,000 worth of assets.

That's because Investment Trusts are often available at discounts of up to 20% or

If the underlying assets then rise in value the share price may rise even faster, thus moving nearer to the true underlying asset value.

However, when the discount has narrowed it may be prudent to switch your money into an equivalent Unit Trust.

This switch can lock in a profit until another Investment Trust opportunity presents itself.

Then the process starts again

...and again.

the leading research house in this Anofferyou field, Wood Mackenzie have won the Extel Investment Trust Analysts award on 12 out of the can't afford to last 13 occasions.

> So without spending years gaining an intimate knowledge of the fluctuations of Investment Trust shares in international markets you can still benefit from the gains to be had.

The minimum investment is Investment Trusts are under- £20.000.

But we must warn you that How do you predict which the value of your investment (as with any shares on the stock market) may fall as well as rise. And when should they be

Mind you with a record like Wood Mackenzie's you shouldn't discount a high return too

HILLS ALVADA

SWEDISH MATCH still has some "match king" established the com-way to go before it re-establishes pany's dominance during the 1920s the overwhelming dominance of the through a far-reaching series of world match industry built up by Sweden's legendary match king, livar Kreuger, during the 1920s, but the semisition of the street of freedom surveyers. By 1990 Smed of foreign currency. By 1930 Swed-ish Match claimed control over 150 factories in 35 countries with 60,000

a different league from its competi-In 1932 Kreuger's empire crashed and he shot himself in his Paris With Wilkinson's 7.5 per cent share, Swedish match now controls flat, but Swedish Match survived, around 25 per cent of the world albeit in straitened circumstances.

before the acquisition Swedish Match manufactured matches in more than 30 factories in 22 countries, and it is now adding Wilkinson's production base with plants in 13 countries including key new markets for Swedish match The takeover of Wilkinson Sword such as Brazil and Australia.

gives Swedish Match a control of the UK market never achieved by Swedish Match is one of Swed-Krenger. Swedish Match first came into the UK market in 1927, when en's most famous multinationals thanks to its chequered history under the leadership of Ivar Kreuger.

Largely backed by US capital the merger of some Swedish Match

May, the leading English match ucts for the table, matches and ligh-

Swedish Match held at best close to 50 per cent of British Match, but its share fell to 33 per cent when British Match acquired Wilkinson Sword in 1973. By the mid-1970s Swedish Match was again in finan-

With a pressing need to free up capital it was forced to give up its ambitions for gaining full control and sold its minority to Allegheny of the US, but it was only a tempor

After difficult years in the 1970s and early 1980s, Swedish Match is back on the warpath and expanding rapidly through acquisitions.

By the end of last year the group ad total sales of SKr 10.89bn (£i.96bn) with its activities spread across diverse business areas such

companies then operating in the packaging chemicals and consum-British empire with Bryant and er products including paper prod-May the leading English match

Of last year's sales some 26 per

cent came from Sweden, 26 per cent from Europe excluding the N ordic countries, 19 per cent from the Nordic countries excluding Sweden and 15 per cent from North America.

In December it announced its big-gest takeover to date with the DM 300m (£102m) acquisition of Pegu-lan, the West German flooring group, from BAT Industries of the

The acquisition of Pegulan, which is being added to Swedish Match's existing Tarkett subsidiary, has es-tablished Swedish Match as the

Growing in shadow of the match king

son Sword and Pegulan, the group

expects a turnover of around SKr Since the crisis of the late 1970s when the group's profits nose dived and its balance sheet became seri-

CHE AT THE PROPERTY OF THE PRO

Krist Krist Malin Jan G

TYTE

SCILE ...

CAIL pesie:

سنيت

3----

tian, se

ال الله الو

oritre:

tice occ

II COL

the w ment co

فتت وين reject

D Start

ously over-stretched after a period of wild growth, Swedish Match had undergone a period of drastic restructuring and concentration. It has disposed of more than 40

companies, but as the group slowly recovered its financial health, it also began a new programme of ac-quisitions, which apart from Pegu-lan and Wilkinson sword have in-cluded the Cricket Disposable Ligher operations from Gillette of

Proof that the group is finally back on a profitable track came last year when profits (after financia) items) jumped by 39 per cent to SKr 500m with the return on equity rising to 15 per cent from 9 per cent in

## Less than blissful union in the arms of Allegheny

WILKINSON SWORD, the company that gave the world a smoother shave, has long had a reputation for quality. This re-mains undimmed, but in recent years it has been seen as compla-cent and somewhat old fash-

the acquisition of Wilkinson Sword,

hitherto its closest rival in the

world market, puts the company in

burgh-based conglomerate, has not been all bliss, far from it. The terms of the marriage in 1989 were to provide Allegheny with a spearhead for its expansion into international cons and Wilkinson with much

needed investment capital.

These bright hopes had become badly tarnished by August

iast year when Mr Robert Buckley, the flamboyant chairman of Allegheny, suddenly resigned at-ter a \$109m loss in 1985 following three years of declining earnings.

Mr Buckley was an acquisitive chairman. As Allegheny found it increasingly difficult to live with the resulting interest debt, bits of the companies acquired had to go. Swedish Match will have in Wilkinson Sword a three-divi-

the early 1989s.
Wilkinson's writing instruments division, its packaging
business and protection products
division have all been sold, leaving intact the home and garden, shaving and match units.

The company's matches division, Bryant & May, includes the Swan Vestas, England's Glory and Scottish Bluebell brands as well as Clipper and Chukka ligh-ters. This division accounts for 49 per cent of Wilkinson's British

The home and garden sector, including garden tools, scissors and the Kitchen Devil knife range, accounts for 25 per cent of sales and the shaving division about 20 per cent.

The company has a grand history. It was formed in 1899 from a business established in 1772 by one Henry Nock, gunsmith to Coarse III and manufacturer of George III and manufacturer of swords and guns. Cut-throat razors were made from the 1890s; in the First World War production switched to beyonets and and the restart of razer produc-

world's first polymer coated stainless steel razor blade in the early 1960s that really caught the tion of the world's shavers – and Wilkinson's main competi-W<u>ilkinson</u> was way in front

for three years. The trade was on ration. It was the first major breakthrough since the invention of the safety razor," said Mr Celin Milbourne, Wilkinson's personnel director. It took the

US-based Gillette three years before they had a similar product

But eatch up Gillette did, and it now holds the dominant posi-tion in Britain's ESIm wet shave market, with 45 per cent against Wilkinson's 30 per cent. Wilkinson suffered badly from its failure to respond to the introduction of the disposable raver by Bic, the French group, in 1977,

lt is not possible to gauge Wil-kinson's overall performance within Allegheny's vacious divi-sions, but analysts estimate an se in turnover from \$30 to \$330m between 1964 and 1965 and a rather slower increase in

## Everything under the sea.





Oysters: When you've savoured the first dozen. vou'll feel like going back for more. Even though you found any





To the North, Spain's coastline can be seen in terms of oysters, lobsters, mussels, clams... To the South and to the East in terms of prawns, crayfish, "cigalas" (another of the endless lobster family)

And to the West with endless types of crab, barnacles... Three different seas and a thousand ways to enjoy Spain. When you come here, go into any fisherman's tavern and give your eyes a feast.

Your only problem will be choosing from the enormous range of seafood you'll find. And as for the bill... yet another surprise. You might come back for more. Spanish sea-food, You can't get it anywhère. Nor at a better

shelifish.

of the coast of Andalusia and found in any of the fisherman's taverns where

decide to start the evening with an aperitive.

Perfect at any time of the

king amongst





Crabs: One of the most typical shelifish of the Cantabrian Sea, off Northern Spain. Its price is just as tempting as its

flavour.



Spain. Everything under the sun.

#### **Privatisation** hint for electricity

By Ivor Owen

A FURTHER HINT that privatisation of the electricity supply indus-try could feature in the Conservative Party's election manifesto was given by Mr Peter Walker, the Energy Secretary, in the House of ommons yesterday. His emphasis on the fact that the

Government had "no present" plans to undertake such a policy initiative was clearly regarded by some Conservative backbenchers as an indication that they would not have long to wait for such a proposal to

emerge.
Mr Teddy Taylor (Conservative,
Southend East) urged Mr Walker to build on the success achieved by suggesting that one variant which might be employed would be to privatise the separate area electricity boards rather than the industry

Mr Walker agreed that the privatisation of British Gas had been ar outstanding success and acknowle edged the need to bear in mind the lessons learnt from that operation in "any consideration one gives to the future of the electricity boards."

#### Floating Rate Serial Notes due 1989/90/91 FRIESCH-GRONINGSCHE

DFL 75.000.000,-

HYPOTHEEKBANK N.V. (Incorporated with limited flability in the Netherland)



In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from March 17th 1987 to September 17th 1987 the Notes will carry an interest rate of 51% percent per annum.

The interest payable on the relevant date, September 17th 1987 against Coupon no. 3 will be DFL, 290,69.

Agent Bank

**ONCBBANK** 

NOTICE OF REDEMPTION

To the Holders of

#### ENTE NAZIONALE IDROCARBURI E.N.L

(National Hydrocarbons Authority)

6%% Sinking Fund Debeutures due November 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on May 1, 1987 at the principal amount thereof \$500,000 principal amount of said Debentures, as follows:

res of U.S. \$1,000 Each of Prefix "M" Bearing Serial Na Ending in the Fellowing Two Digits:

es of U.S. \$1,000 Each of Prefix

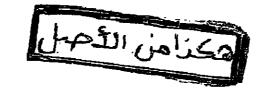
On May 1, 1987, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italians in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Parts or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourgeville.

Debentures surrendered for redemption should have attached all ummatured coupons appurtenant thereto. Coupons due May 1, 1987 should be detached and collected in the usual manner. From and after May 1, 1987 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF REW YORK, Fiscal Agent

March 31, 1987

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide us with, and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.



BY HU

## Woolworth buys the Superdrug chain for £233m

- 4887

7 10 10 ay

7-175 AT 07-12

د ويد وي

BELLEZIO

E William

a 13 b.

21.7636

12.0 h = 13-7.

der da.

the said ಚಿತ್ರಾಜಕ್ಕೆ ಕ್ಷಾ

يوننڌ ت **3**.

WOOLWORTH HOLDINGS yesterday announced an agreed hid, ago and has pioneered the discount worth £233m at last night's closing prices, for Superdrug, the 297prices, for Superdrug, the 297-strong discount drug store chain.

Mr Geoff Mulcahy, chief executive of Woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings, said the deal was not a last minute alternative of woolworth Holdings and household cleaners, with an emphasis on own-label products. ernative to Underwoods. This deal has come out of a long period of Stock Exchange in 1983, has de-

Woolworth is offering 17 new Woolworth is omering 11 new Woolworth Holdings ordinary shares for every 20 Superdrug ordinary shares with an underwritten cash alternative. Superdrug's share cash alternative. Superdrug's share price closed last night at 653p per share, up 173p. Woolworth Holdings closed at 790p per share, down 40p.

Irrevocable undertakings to accept the offer how how

cept the offer have been given in respect of 61 per cent of the issued ordinary shares of Superdrug with the families and trusts of the foun-ders of the chain, Mr Ronald and Mr Peter Goldstein, representing some 33 per cent of the acceptances. The Goldstein brothers, who will stay as chief executives of Superdrug and join the main board of Woolworth Holdings, will hold about 4 per cent of Woolworth Hold-

Superdrug was set-up 21 years The bid comes on the heels of Woolworth's abortive bid for Underwoods, the London-based chemist on National Health Service dispersing. It is committed to a limited range of discount toiletries, includ-

contacts between our two compa-nies," said Mr Mulcahy.

monstrated strong growth over the past few years. It claims a 37 per cent share of the discount drug store market and some nine per cent of the UK toiletries market (which excludes cosmetics). It made a pre-tax profit of £123m in 1986-87, an increase of 18 per cent

Woolworth Holdings is commit ted to developing itself as a special-ist retailer and the acquisition of Superdrug will be a further strand

While Superdrug has its own store expansion firmly in train, Woolworth, which is rationalising and refurbishing its Woolworth chain stores, is able to offer it a number of retail sites which may be superfluous to the needs of its Woolworth stores.

Lex, Page 28; Analysis, Page 34

## repair charges criticised

A LEADING organisation repre-

senting telephone customers has complained to the Office of Telegulatory body, about British Telecom's decision to charge for guaranteeing to repair faults within a specified time limit

Separately, BT yesterday said it intended to charge for directory inquiries as soon as the service was operating satisfactorily. BT is introducing three new types of contract for customers who

ant a better repairs service than that offered at present. Under one type of contract, called Prompt Care, customers can pay \$2.80 a quarter (24 per cent of the rental for a single line) for a guarantee of a four-hour response to

Under Total Care, customers can pay £10.45 a quarter (66 per cent of the rental for a single line) for a four-hour response round the clock. Ms Vivienne Peters, director of the Telecommunications Users' Association, said her association was worried that BT would have no incentive to maintain an adequate repairs service for those people pay-ing just the standard rental.

fault reports between 8am and 5pm, Monday to Saturday.

## Telephone | Labour sets out partnership strategy for the economy

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

Helping to launch the proposals,

nock, the Labour leader, outlined straints and solutions. the third major element in his par-

THE LABOUR Party yesterday un- have "rejected the easy path of con- "without resort to conflict".

after returning from Washington which all sides of industry will unand his controversial meeting with dertake a thorough and frank recommitment to the establishment 
President Reagan, Mr Neil Kin- view of economic priorities, con- of a stabutory minimum wage, The document repeatedly empha-

ty's programme for national rene- sises the importance of close, con-"Work to Win," which has been bour and TUC leaders say they in-British Enterprise, the state hold-jointly drawn up with the Trades tend to face up to hard decisions ing company to provide equity fi-Union Congress, says the two sides and to manage necessary change nancing for industry.

veiled its ideas for a programme of cession and the more dramatic but. The plan includes Labour's previ-partnership between government, equally damaging strategy of con-ously announced plans to create industry and the trade unions frontation" as the means of achievemore than Im jobs in two years and aimed at ending what it decribed as ing a sustainable improvement in a five-year jobs and industry strate-eight wasted years" of economic Britain's economic performance. gy built around a long-term pro-The programme calls for a new, gramme for investment in manu-national economic assessment in facturing capacity.

> which will be regularly reviewed, as well as its proposals for a strengthened Department of Trade and structive co-operation and both La- industry and for the creation of

### Saunders to sue Roux for libel

mer chairman and chief executive ceedings against a number of peo-of Guinness, intends to sue Mr Oliv-ier Roux, the company's former fi-nance director, for libel, the High

Court was told yesterday. ment made by Guinness to a Jersey
The intended proceedings were company, Marketing and Acquisimentioned when Mr Saunders comtion Consultants, Mr Saunders statplained that his family solicitors ed, adding that he vigorously de-were caught in a conflict of interest nied the allegations. because they were now also acting The court was told that the solicifor Mr Roux.

The court was read evidence in rens, who for many years had acted which Mr Saunders referred to confor Mr Saunders and his wife, had who advised Mr Saunders flict between himself and Mr Boux recently accepted instructions to The hearing continues to

MR ERNEST SAUNDERS, the for- and stated that he had started pro- act for Mr Roux in connection with a matter involving the Department of Trade and Industry, which had against Mr Saunders.

> give guidance on whether the solici-tors should continue to act for Mr Roux. The court heard that the solicitors had told the Law Society that the partners advising Mr Roux tors, Denton Hall Burgin & Warwere entirely different from those

### Leisure group's chief leads buy-out attempt for company

MR HARRY GOODMAN and other senior directors and management craft operating by 1990, compared of the International Leisure Group with six at present. The airline will (ILG) are seeking to buy out existing shareholders and take the comter services to Europe. pany private in a move aimed at ex-

The proposed buy-out, details of which are expected to be released on Thursday, ends a week of specunight ILG closed at 180p, down 8p

panding the group's airline opera-

Mr Goodman, the entreprenurial founder of ILG who has a 15 per ket evaluates the shares, were 47 cent stake in the company, claimed yesterday that the buy-out deal was one of the biggest ever of its type."
At last night's closing price the company is valued at just over

Mr Goodman said the main reason for the buy-out was to enable the company significantly to ex-pand its Air Europe operations without the City breathing down

"The City takes a short-term view and our airline expansion will mean that our profits do not grow so fast in the short term. If we are private then we can develop the business with the medium and long-term in

ILG plans to have some 27 air

Mr Goodman said that the airline expansion, details of which will be

released later this week, will cost about \$370m spread over three ILG's pre-tax profits in the six months to the end of September lation about a mystery buyer for months to the end of September the company which had seen the 1986 were some £6m lower at H.G share price climb steeply. Last £23,2m, including aircraft sales, compared with the same period in the previous financial year. But op-

erating profits, on which the mar-

per cent ahead at £21.5m. In spite of record business in the packaged tour holiday market last summer - and buoyant early bookings for this summer - there are fears in the travel trade that profit margins could be cut this year if the major operators are forced to discount prices to achieve their capaci-

to buy-out ILG comprises Mr Goodman, four other main board directors, and 15 senior executives. Together with Mr Goodman's stake of some 16 per cent of the shares. Men and Matters, Page 26

#### The benefits of the IBM 6150 UNIX multi-user RISC-based Micro Computer, with 5.6 gigabyte memory 4.5 M.L.P processor and 16 megabyte RAM.

## Caterpillar asks for union to end sit-in

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

CATERPILLAR yesterday ap- carned at the decision of the hour pealed to the Amalgamated Engineering Union (AEU) to help end the workers' occupation of the Ud-dingston tractor plant, near Glasgow, after the workforce voted not to leave the factory.

At a stormy mass meeting the men voted by 368 to 362 - a majority of six - to ignore last Wednesday's high court injunction ordering them to leave the plant. Mr John Brannan, the leader of the occupation, said it was a "tremendous deci-

In the past few days officials of has been closely involved with the the AEU and the electricians EEP- dispute, is expected to come to Glas-TU, the two unions involved in the gow later this week to speak to the sit-in, have urged the leaders of the occupation committee. protest to obey the law and to con- The Caterpillar occupation began

The officials were not present at the plant within about a year. yesterday's mass meeting. Leaders of the protest said yesterday that the occupation would go on until the occupation would go on until pation come to an end because they the management returned to the believe it is making it more difficult negotiating table.

Caterpillar gave an undertak in court that it would negotiate with close the facility and does not wish the workforce on future employ- to see it used to make earthmoving ment possibilities once the occupation ended. But last week it firmly rejected a request by the workforce not possible for government offi-

was "deeply disappointed and con-cility.

THE RETAIL Consortium, the re-

tailers trade association, has

brought the Office of Fair Trading

(OFT) into its increasingly hitter dispute with Barcleys Bank over

the launch of a new type of plastic

The consortium last week informally alerted the OFT to its belief

will look very much like a credit

bited direct to a person's bank ac-

count within the standard three

It has also taken legal advice to find whether it can stop Barclays introducing the card in the way it

Barclays was "using a technique

which would not flatter a second-hand car dealer, said Dr Bob

Woodman, chairman of the consor-

tium's committee on cashless shop-

BY HUGO DIXON

Retailers fight bank

on cashless shopping

that Barclays is acting anti-competitively in the way it is trying to introduce Connect, a debit card. This of Barclaycard. "If they are Visa

card, but function more like a cept all Visa cards or none."

cheque in that purchases wil be de-

ly-paid workers at the plant. But it welcomed a subsequent vote by the 40-odd members of EEPTU who are involved in the sit-in to dissociate themselves from the decision of the mass meeting which they had at-

The company asked the AEU to give formal instructions to its members to call off the illegal action.

The national executive of the AEU is expected to discuss the caterpillar issue today. Mr Jimmy Airlie, a member of the executive who

tinue the fight to save employment almost eleven weeks ago in mid-by means of strike action outside January when the US company an-the plant. nounced that it intended to close

to find an alternative use for the nlant. Caternillar is dei equipment or components.

While the plant is occupied it is

to start talks before the occupation cials or prospective purchasers to make a detailed assessment of the Caterpillar said yesterday that it alternative possibilities for the fa-

Barclays claims that retailers

which have signed up to accept Visa.

cards will have to accept Connec

and pay Barclays the same commis

sion as they pay on credit cards

which averages about 2 per cent

This compares with the 10p that re

tailers now pay banks to process

merchants, they either have to ac-

The implication is that Barclays

"If they attempt that ploy," came the riposte from Dr Woodman, we

can say 'good riddance' and they will lose their share of the credit

Retailers are angry because they feel Barclays is using a back-door

route to force them to accept a

charging system they do not want.

will not permit retailers to display the Visa sign in their shops if they

refuse to accept Connect.

card market overnight."

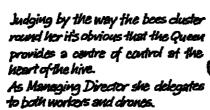
## AS EXPLAINED BY A BEEKEEPER.

Creatures that by a rule in nature teach The act of order to a peopled kingdom. Shakespeare. Henry Y, Act I, scene ii.

For so work the honey-bees,

Observing the bees at work today it struck me that the humble hive has more tumover, more profit, less overheads and is non move efficiently than any business

The IBM 6150 System creates the same effect by linking the various functions of a company together.



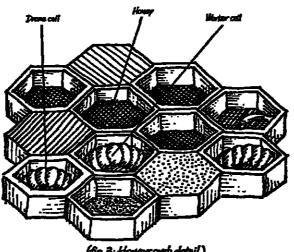
(fig. 1: Atraditional slep.)

Much the same way as an IBM 6150. It has a powerful database to provide



(fig 2: Apis Mellifera)

access for multiple terminals, so different departments can interact miles apart (an improvement over the Queen bee who stays close to home).

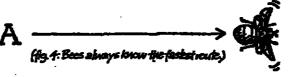


The bees are drowsy in this heat so I was able to get a closer look at the thousands of hoveycomb cells which store the hive's resources.

The 6150 has a rather more impressive disk storage of 5.6 gigabytes, enough for an entire company.

Even as I unite, new calls are being built and filled as the hive grows.

With memory increased to 16 megabytes the 6150 also gives you plenty of room



While pottering in the garden I noticed that contrary to popular belief bees do not buzz about aimlessly but always take the most direct route. They never step to smell the roses unless there is nector to be had.

With a 6150, data makes a beeline direct to your terminal due to reduced instruction set coding (RISC) which eliminates unnecessary paths in a computer.

Once a bee is on the scent of something good I think he becomes one of nature's suiftest creatures!

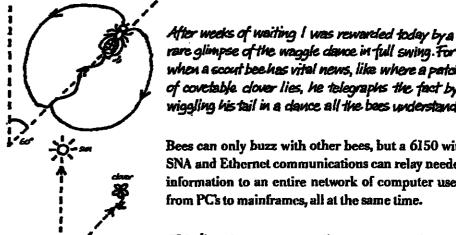
But nothing like as quick as the 6150 with a processor that sends information to you at 4.5 million instructions per second. A bee would approve.

ميل ماه المرابعة المرابعة

From buttercups to borage the garden daily tempts the bees hither. And as a bee flits from flower to flower,

the compatible 6150 runs over 300 software programs from accountancy an enhanced version of UNIX.





(fig. 6: The waggle dence

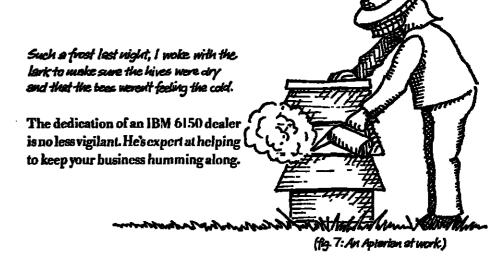
where the dover lies.)

rare glimpse of the waggle dance in full swing. For when a scout beeings vital news, like where a patch of coverable clover lies, he telegraphs the fact by wiggling his tail in a dance all the bees understand.

Bees can only buzz with other bees, but a 6150 with SNA and Ethernet communications can relay needed information to an entire network of computer users from PCs to mainframes, all at the same time.

This 'bee bop' was a call to action and within seconds the bees scrambled for take-off.

Similarly, the fast reaction of a 6150 means many tasks can be coordinated effectively between departments.



My greatest delight is tasting the first honey of the season. It fills me with renewed edmination for the team work of the hive.



The 6150 also unifies your company's resources to produce results.

I note with some pride that so far the hive has produced three more honeypots than last year. If this keeps up it will truly be a splendid season.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* If you'd like to turn your business into a hive of industry, please fill in this coupon,

.Company Phone Number.

Post to: IBM Enquiry Centre, IBM United Kingdom Limited, PO Box 116, Northern Cross, Busingstoke RC21 IEJ, or ring LinkLine 0800 444 111.

## Food colouring report

which may contain added colours were recommended yesterday in a More data are needed on certain report by the Food Advisory Committee (FAC), an independent committee which advises Ministers on ther review. food additives.

quantities of colours which may be cause of the high consumption of added to foods.

The FAC said it found no reason curring. to recommend against the continu- Ministers should examine the ing use of added colours in food. Among the main recommenda-

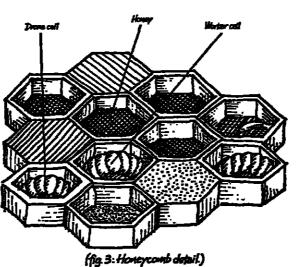
Certain colours should no longer

NEW RESTRICTIONS on the use be permitted for use in food mainly of certain colours and on the foods because of a lack of adequate toxi-

cological data. colours which the FAC considered temporarily acceptable pending fur-

The report also recommended • Levels of caramels added to food statutory maximum limits on the should be reduced significantly bethese substances which may be oc-

basis of descriptions such as "natural" or "artificial" in relation to consomer understanding and food manufacturing practice.



## Battery electrics. Cheaper to run than diesel or LPG.

Everyone knows how much battery electric trucks contribute to a clean working environment. But you only have to look at the total operating costs to see just how economical they are. One reason for their outstanding economy is that battery electrics use energy only when they're in motion. And by recharging at night you can take advantage of cheaper rate electricity. Battery electrics have no starting problems, no exhaust, minimal vibration and are far less noisy. They have fewer moving parts, DIESEL £2.93 £2.44

require less maintenance and have a much longer working life.

In recent years, many specialised electric trucks have been developed to operate in hazardous and abnormal environments. They're equally at home outdoors or in, and perform efficiently in tough locations such as foundries, stonemasons' and builders' yards.

You owe it to your business to lift electric. Advice on all types of battery electric truck is freely available from your Electricity Board; A just send the coupon for full information.

The state of the s
To: Electricity Publications, PO Box 2, Feltham, Middlesex TW14 OTG Please send me further information on battery electric trucks.
Name
Position
Company
Address
l
Postcode
Telephone
<u>III</u> INVESTELECTRIC
Energy for Life
The Electricity Council, England and Wales

#### **UK NEWS**

## Britain urged to promote use of custom microchips

Industry has been urged to start a campaign to promote the use of "doit-yourself or custom microchips. Unless this action is taken, the deish lead in use of the devices may

The advice comes in an unpub-lished report commissioned by the department and produced by a team of consultants headed by Mihael Shortland Associates, based

According to the report, the UK leads the rest of Europe in applications of custom electronic devices, in which designers build up circuits on silicon to produce a chip to their own specification.

The UK market for custom chips in 1986 was \$146m (£92.5m), out of a

THE DEPARTMENT of Trade and such as Toshiba, Fairchild, Hitachi, amounts to a 'second revolution' in National Semiconductor and Intel microelectronics technology," says campaign to promote the use of "doranti, Plessey and Racal.

partment has been warned, a Brit the development of products such as office machinery or telecommunications equipment can design the

Significant reduction in costs of 20 per cent or more, greater reliabil-ity of products and reduced lead times between design and manufacture can follow from the use of custom-chip technology, according to

But not enough of Britzin's 4,000 small to medium-sized electronics mies know about the benefits of the technology, they say.

world figure of \$2.4hm, the report world figure of \$2.4hm, the report starts. Many of the biggest suppliers of custom chips in Britain are subsidiaries of overseas companies market development in what "It is suggested that steps be tak-

Electronics engineers involved in Trade and Industry Department, together with suppliers of custom chip technology, establishes a net work of silicon centres around chips using a combination of desk- Britain. These centres would prog a communication was and advanced gra-more the use of do-it-yourself chip ware. small companies new to the meth

> should start an awareness campaign on the technology, involving leaflets, training courses and semi nars, together with a promotion of new custom chip techniques at universities and polytechnics.

Government officials should also try to bring together companies that offer chip-design services with those that could benefit from the

## Welsh economic survey gives surprising vote of confidence

BY ANTHONY MORETON, WELSH CORRESPONDENT

Welsh economy moving ahead at a modern, high-technology indus-faster pace than that of the UK as a tries, and while there are still whole has been presented to the fundamental continuing weak-(WDA) in Cardiff.

This surprising survey of an economy that most people assumed to be in deep depression is now be- er industrial parts of Britain, and in ing mulled over within the WDA some cases it is even performing as and is expected to be published

Preliminary findings from the survey, commissioned by the WDA economy experienced: from outside consultants Bowles OA faster rise in GDP (gross do-Research, have been seen by the mestic product) per head - up 15 Prime Minister's advisers. The per cent in 1985, the last year for team is believed to be impressed by which figures are available - than the WDA's work in regenerating the in any other part of the UK.

Welsh economy since its establish- OA fall in seasonally adjusted emment in 1976 and to be considering playment every month since May

economy has taken "great strides" over the past decade in moving my generation than in other British away from dependence on declining

A PICTURE of an effervescent There has been strong growth of economy in "modern" industries Development Authority nesses," there are now "significant

indicators of real improvement." Wales is outperforming that of othwell as in the prosperous south-east

The report shows that the Welsh

the agency as a model for any agencies that the Conservatives might
propose for parts of England in
their election manifesto.

1886; a rise in notified vacancies of
almost 30 per cent over the past
year, and a faster rate of job opportunities than in the UK as a whole. The report states that the Welsh A more rapid rate of growth in self-employment and better compa-

such as office machinery, data pro-cessing, research and development, rubber and plastics and instrumen

The picture is not one of unre-lieved optimism, and the report warns it would be wrong to ignore fundamental, continuing weak-

failure to increase total employ ment, and there has also been a poor performance in property, financial and professional services.

The most spectacular improve ment, the report states, has been the increase in GDP per head. If the rate of improvement in 1985 is maintained, then Wales would have a higher GDP per head within the next two or three years than the UK as a whole.

The report accepts this extrapole tion is unlikely to arise, but even if the rate of improvement over the period 1981-85 is maintained, then Wales will overtake the UK average

## Minister defends abolition of councils

By Michael Cassell

Mr Ridley, speaking in London last night on the eve of the first

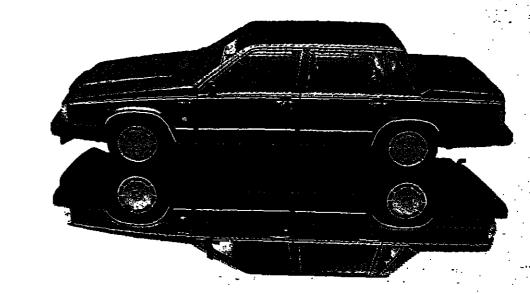
massive rate rises being imposes by those London Labour council

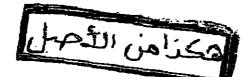
## NO SURPRISE.

There are moments in your life when the least you need is a nasty surprise. Like when you turn the key at five on a freezing February morning. Or when you hit a hairpin bend just a bit too fast. Or a stray dog seems too valuable to ignore.

Or fierce braking saves your life when overtaking a truck just before the crest.

We build Volvos to perform exactly as you expect. We may call it Reliability. We may call it Dynamic Safety. You will call it driving pleasure.





### Six-day working 'threat to mine jobs'

n of

Library ;

THE REAL PROPERTY.

The state of the s

1 (1 (m)

فا لتجبي

252

TO THE

Tions or

S Dente

2 cent.

in de

Sec. 15

ಜ ಚಿತ್ರಾಜ್ಯ

-

್ಯ ಸಾನ್ಯ ಗೌ

. .

T. Willy

Z 2 1-20

وي وزيد

The Land Line \$ BING

are - :

7200

To Lad

ary being

75 13m.

i i b see

5 T Z I S

Jan org

3.7

are many

2 :- 02

يمنحت

فياتتنان

ייירן ביייי

是 基础的

EMPLOYMENT in the South Wales coalfield will be halved once British Coal's proposed new drift mine at Margam is in operation, according to national leaders of the National Union of Mineworkers.

The national NUM's contention is likely to be challenged both by Brit-ish Coal and by the South Wales area of the NUM, which has agreed in principle to new working prac-tices for the mine in order to secure what union leaders there claim will be up to 1700 new direct and indi-

The South Wales decision is strongly opposed by Mr Arthur Scargill, NUM president, and the union's national officials, and the difference has laid open deep divi-sions within the union in the wake of the 1984-85 coal strike.

The national NUM's calculation is contained in an internal paper pre-pared by the union's industrial relations department for a weekend conference on flexibility at Northern College, near Barnsley.

It is important in fleshing out for the first time the argument against the South Wales decision, made so far only in outline by Mr Scargill.

The paper says that British Coal's proposal for six-day-working at Margam and elsewhere together with much more extensive use of "heavy-duty" face technology for obtaining much more coal more quickly "is a threat to thousands of min-

The NUM's calculations of the impact of Margam on South Wales are based on the Wheeler' proposals for new ways of working in the industry drawn together by Mr Albert Wheeler, British Coal's Notting-

hamshire area director. On this model, the NUM argues that there could be a loss of 10,000 jobs in the Yorkshire coalfield by the early 1990s, and says that the current Nottinghamshire output could be mined with 14,800 instead of 26,000 miners.

Working hours underground are restricted to 7½ in any consecutive 24 under 1908 Mines Act,

The national NUM accepts that al though the six-day working proposals for Margam may not increase the actual number of hours worked. the 1906 provisions are all the more important because it will increase the duration and exposure period of miners underground, increasing in turn stress and vulnerability to the likelihood of an accident, disease or

### Are you entitled to a tax-free Volvo?

Many people working or living abroad find the purchase of a taxfree Volvo a fast and trouble-free process. You will find all you need to know, including a brief on the extensive Volvo range, in the Volvo Tax-free Handbook. Just fill in the coupon.

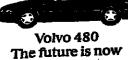


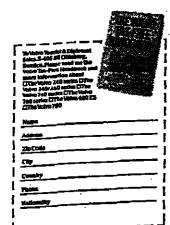


Volvo 760 Estate The five-door luxury sedan



The high-class family car





VOLVO

## Preferred sites named for power stations

BY MAURICE SAMUELSON

BRITAIN'S FIRST two new coalfired power stations for more than a decade are likely to be built at Fawley, near Southampton, and at West Burton, Nottinghamshire, Mr Peter Walker, Energy Secretary, said in the House of Commons yesterday.

His amouncement underlines the Central Electricity Generating Board's (CEGB) intention to pres on with a mixed programme of coal and nuclear power stations between now and the end of the century. With electricity demand growing steadily, the programme will involve replacing about 12,500 MW of the CEGE's present total capacity of just over 50,000 MW.

The CEGB, which intends to seek planning permission around the end of the year, says they have been selected from a list of five possible sites. The others are at Kings-north on the Medway, (Kent), Hams Hall in the Midlands and Kil-

The choice is also subject to "satbe a further morale booster for Brit- coal.

ain's hard-pressed power plant in-

It is also good news for British Coal, striving to boost its efficiency in the face of cheap nuclear power and falling world coal and oil prices.

The two new stations could burn up to 10m tonnes of coal a year, a tenth of British Coal's annual production. This would not be incremental tonnage, and would help to safeguard mining jobs rather than create new ones.

Burton, despite the CEGB's plea that the main gaps in its generating capacity are in the south of the country. West Burton is a natural customer for Nottinghamshire coal produced by members of the anti-Scargill Union of Democratic Mineworkers, a political factor which appeals to the Government, especially in a pre-election year.

At Fawley, however, the CEGB isfactory technical and environmentory to direct competition from low cost tal assessment. However, Mr Australian or Colombian coal, It is Walker's statement, coming only three weeks after his clearance for can receive transcontinental collithe Sizewell B nuclear station, will ers carrying up to 150,000 tonnes of

#### Scottish shipbuilder is to lay off workers

Shipbuilders' last remaining ship-yard on the Upper Clyde in Scot-land, is to lay off up to 1,000 hourly paid workers within the next two

The yard will have no orders when the Norsea, a 31,000 tonne roll-on roll-off ferry, leaves the yard in a few days time.

The shippard intends to find other work for about 300 of its hourly paid workers, while about 300 salaried staff will be unaffected. The hourly paid workers on lay-off will receive 75 per cent of their basic

Govan intends to re-engage the men who are to be laid off when it

receives new orders.

British Shipbuilders and a team from Govan are presently negotiat-ing a possible order with the Chinese Government for three 60,000 tonne container ships, which would dergoing sea trials, has been comprovide work for about three years. The shipyard is said to be optimis-

GOVAN SHIPBUILDING, British tic about the chances of winning the

The shipyard is also bidding for an order for a cross-channel ferry for the French company Brittany Ferries. But this bid is currently held up by an EEC inquiry into allegations that the French Government has offered unfair subsidies to a French yard to undercut Govan's

Govan is also hoping that the British Government will order a 7,000 tonne cargo-carrying ferry to operate between Britain and St Helena in the south Atlantic. But this order is not likely to be placed until August.

Mr John Smith, Labour's shadow trade and industry minister, said yesterday that the Government should speed up the ordering pro-cess to assist Govan.

The £40m Norsea, currently un-

#### SAVINGS CERTIFICATES

**NOTICE OF NEW RATE** 

Beginning on 1 April 1987 the rate of interest payable on Savings Certificates on General Extension terms will go down from

8.7% to 7.5% p.a. tax free

The General Extension Rate applies to Certificates of the 7th to 14th, 16th, 18th, 19th, 21st, 23rd and 24th Issues after they have completed their fixed period terms.





One of the world's finest hotels

🚰 Shangri La hotel

SHANGRU-LA INTERNATIONAL: LONDON (61) 581 4217

A WISE INVESTMENT FINE FURS AT FACTORY PRICES

d Glama MINK coats £3,000 - Silver FOX coats £2,000 NAMED OF THE PRINTS. CORES E3,000 - SHYEP FOX CORES E2,000 Nite FOX Saga' Jackets £295 - Saga' ranch MINK cores £1,500 PLUS MANY MORE AT HALF THE NORMAL RETAIL PRICE OR LESS FREE COLD STORAGE ON ALL PURCHASES

**IVAN FURS** 

119/121 MIDDLESEX STREET (LIVERPOOL STREET STATION END) LONDON ET 7.JF TELEPHONE: 01-247 7277/b1-247 5855 Established over 50 years All major Credit/Charge Cards accepted SATELLITE BROADCASTING CONFIDENT OF GETTING OFF GROUND

## DBS set to hit cash target

Consumer Electronics and Anglia

Both Granada and Pearson are

expected to increase their stake in

Senior BSB executives are now

die of April.

investors, including Mr Alan Bond's casting of three new channels of na-

BRITISH SATELLITE Broadcastpleting its first-stage financing of £200m.

There are now verbal undertak-

BSB's target has been to raise £120m by the end of this month to add to the £80m already committed by the five founder shareholders.

ings from potential investors to cover all the £120m and letters of intent have already been received for about £80m. The remaining formal commitments are being finalised by lawyers and are expected to be completed within the next two

British Coal has long been lobby-ing for a new power station at West

#### Britain's roads to Survey claims job outlook improving have £152m repairs

the project during the current fi- sent to potential investors by BSB

could too £1m.

ment agency.

planning to recruit

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

THE TRANSPORT Department on about 30 of the biggest repair the coming financial year.

This is the biggest annual repair said. programme ever mounted by the He said the worst hold-ups were Department of Transport (DoT), likely to occur on the Mi motorway, breaking the 1988/87 record of near Luton, Bedfordshire, between £145m. Around £86m will be spent April and October. on repairing 80 miles of motorway, Severe delays are also expected and the remainder on the 200 miles on the M6 at Preston, Lencashire,

Mr Peter Bottomley, the Minister for Roads, warned motorists to expect delays and traffic jams in some areas although disruption would be kept to a minimum.

Mr Bottomley said the DoT had

been trying for six years to catch up with a backlog of repair work, caused by cuts in spending during the last Labour Government. "A few people have complained that there are too many roadworks

and too many delays, but that is the price we must pay for having reduced the backlog of work to 3 per • Tests on the 13 miles of elevated

yesterday announced details of a jobs.
record £152m motorway and trunk These contracts reduced the roads maintenance programme for amount of time spent on repairs by 38 per cent last year, Mr Bottomley

and the M20, near Maidstone, Kent. ● Narrow traffic lanes are to be introduced in both directions of the two-mile Severn road crossing, as

part of a programme of strength ing and resurfacing work. The new lane markings will be introduced over the next two or three weekends, and there may be temporary DoT said, Trial narrow lanes have been in operation on the westbound carriageway of the Severn suspen-sion bridge since April 1985.

ent, he said.

MS and M5 motorway in the Mid-Lane rental contracts, under lands have disproved claims that which contractors are paid extra for the construction was insufficiently finishing work early, are being used strong, the DoT said.

very optimistic that the full £200m to finance the purchase of two high-BSB this week choose its satellite power satellites and to launch the provider from three short-listed project will be raised. A formal ansuppliers, British Aerospace, and nouncement is expected by the mid-Comsat and Hughes, both of the At the third attempt all the signs are that British DBS - the broad-

BY CHARLES LEADBEATER, LABOUR STAFF

THE PROSPECIS for employment A third of service sector compa-

This compares with a balance of 3 yesterday launched a campa

on more workers.

All three organisations gave pres-

of the year, with 10 per cent expect-

ing to shed labour and 30 per cent

per cent of firms who said they

planned to take on labour in the

first quarter, and is two points

above the level recorded a year ago.

Manpower says the planned em-

ployment growth is distributed

across all sectors of the economy

About 28 per cent of manufactur-

ing companies expect to take on

workers, 6 per cent more than the

start of the year and one point up

The total cost of the venture.

scheduled for launch in the autumn

of either 1989 or 1990, is expected to

be £825m. Illustrative projections

suggest that the annual profit in the

final years of the 15-year franchise

Bond Corporation of Australia, the tional television from space to dish have to provide additional informaing (BSB), holder of Britain's direct brewing and media group, are exbroadcasting by satellite (DBS)
pected to join the founder sharefranchise, is on the verge of completing its first-stage financing of lishers of the FT), Virgin, Amstrad

The total cost of the ground.

The total cost of the ground.

British Aerospace, however, is still in the race although the company has been asked to provide more information on how it could help with the financing of the satellite purchase and what level of commitment the British National Space Centre might be able to give. A Government space programme is now before the UK Cabinet for decision. DBS is likely to be free to choose the cheaper Comsat satellites if it wants to do so, as long as the independent Broadcasting Authority, which regulates DBS, is satisfied

chairman of Qualitair, said the group planned to build a new £17m engineering facility at Stansted entations to BSB last week and about their technical reliability. now being developed as the third major airport for London.

The new engineering base would become operational by November, next year, to handle aircraft maintenance and overhauls at the expanding airport.

Aerospace

'to provide

MORE THAN 600 new jobs in the

erospace industry over the next

two years are expected to result

from the takeover of Aviation Trad-

ers (Engineering) (Atel), a subsid-iary of Aer Lingus based at Stanst-ed, north of London, for an undis-

closed sum by the privately-owned Qualitair Engineering, part of the Cambridge-based Qualitair Group.

Announcing his new purchase yesterday, Mr Peter Bottomley,

takeover

600 jobs'

By Michael Donne

Mr Bottomley said this expansion meant that the present 650 employ-ees of Qualitair and Atel combined would expand to 1,300 by 1989, with the group's annual turnover rising growth have improved significantly nies expect to take on labour, a 17 from the current combined 220m to

rom the start of the year and is percent rise over three months ago, over £50m by the early 1990.

Mr Bottomley saw future growth marginally better than the same and 7 points higher than a year ago. time last year, according to a quarterly survey of the jobs outlook centrated on the more bouyant coming from the sale of British aviation engineering expertise to for-eign and Third World airlines. He said the acquisition and promise of among employers conducted by areas of the economy, the survey Manpower, the temporary employmajor investment at Stansted had Employers in areas, such as the been welcomed by the unions and The survey found that a balance East and West Midlands, Yorkshire,

of 20 per cent of employers plan to the North-East and Scotland are take on staff in the second quarter more optimistic about job growth the aerospace industry. Air France, the French national airline, began its first regularly scheduled services between Stanst-ed and Gatwick, London, airports Charles Batchelor writes: The Department of Employment (DoE)

and Charles de Gaulle in Paris. The Gatwick-Paris route will explain employment law in simple terms to small businessmen in an henceforth be three times daily on week-days (twice on Saturdays and attempt to encourage them to take once on Sundays), while the Stanst-ed-Paris route will be twice daily on

The campaign takes the form of a series of 10 leaflets, illustrated with Mondays to Fridays. A new Scottish airline, Chieftain carbons, explaining issues such as maternity rights, redundancy, dis-missal and the requirement for Airways, began operations yester-day, with weekday flights between Glasgow and Brussels, Edinburgh printed and itemised pay slips. and Frankfurt, and Glasgow and Hamburg. Other new services link-"The Manpower Survey of Em-ployment Prospects." Manpower House, 270-272 High Street, Slough, Berkshire. ing Scotland with Copenhagen, Gothenburg, Geneva and Milan will start soon.



#### **TUESDAY APRIL 21st 1987**

Having been the proud recipients of Queen's Awards on three occasions, we have pleasure in inviting all those who are being honoured this year to take this opportunity to advertise their achievements in the pages of the Financial

As Europe's business newspaper, the Financial Times is the logical choice for conveying your success to the business elite of the world.

Our readership spans the whole strata of industry, commerce and politics. These influential readers will be looking with special interest at a company that has succeeded in winning an

accolade of this importance. An advertisement will enhance your achievement by ensuring that your present and your potential customers are aware of your contribution to the British economy.

Many companies have, in the past, taken advantage of the facilities offered by the Financial Times to publish their Queen's Award success. Each year the Financial Times carries substantially more Queen's Awards advertising than any other newspaper.

This year we have produced a brochure to help guide potential Queen's Awards winners on how to promote the success of their companies most effectively.

■ FOR A COPY OF THE BROCHURE AND THE **CURRENT ADVERTISEMENT RATES, PLEASE CONTACT:** 

R. W. ROE

Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY Telephone: 01-248 8000 ext: 4079 Telex: 885033 FINTIM G





F THEY come back for a third term they will be insufferable. This may not be your view, but it is surely that of the people who say of the Prime Minister that they cannot abide the woman. (My own view is that three consecutive terms is bad for the humility of any politician or political party). Such opinions must of course be set against the prevailing business and industrial orthodoxy, which has it that Mrs Thatcher is the nation's saviour, a marvellously successful leader who needs another four or five years in which to complete her vital work. The juxtaposition is important, for it is her outlook on life, her Weltanschauung, that has most patently divided the British people.

It is here more than any-where else that there are two nations. There is certainly greater inequality of income and possibly even of wealth than there was in 1979. There are specific areas of need and hardship. There are disgruntled communities, some of them smouldering with potential violence. There are 3m-plus out of work. These conventional characteristics of a divided society will be discussed in a

But first it is important to set the context: Britain's principal divide is in the mind. On one side is a collection of minorities that cannot be expected to share the Weltanschauung of snare the wettanschaufing of Thatcherism—blacks who mis-trust the police; trade union officials who feel castrated; academics who feel misunderstood; the homeless, protagonists of sexual politics; be-leaguered practitioners in the National Health Service or the social security administration; above all the long-term

The list could be extended; what binds it is a cohort of middle-class intellectuals who feel that it is somehow wrong, somehow against the conscience. to accept a world-outlook that denies the warm comforts of the 1960s and 1970s and demands responsibility from individuals, cohesiveness of families, and a contribution from the ablebodied to their own well-being.
On the other side are those Joe Rogaly. Below, Clive Wolman finds contradictions in the Government's crusade for popular capitalism modern economy. This feeling s paramount among people in

charge or aspiring to be: certain shadow ministers as much as those in office; senior civil servants; the new breed of managerial administrators in the public sector and, most of all, the business community. It is this division in the mind

that leads to so much confusion about the real divisions on the ground. One of the most confused notions is that of the north-south divide." It implies that virtually all the wealth is in the south, or even the south-east, while the rest of the country is a zone of unrelieved devastation.

The truth is that there is an archipelago of wealth in the north, just as there is an archipelago of poverty in the south. For example, parts of Brixton or some of the council estates around Kings Cross in London are as depressing as their counterparts in, say, Man-chester. This is not to assert that there is nothing to concern ourselves about in the north. In Birkenhead, to take one instance, the Ford estate is in a terrible condition: the Soweto of the north-west. Sheets of corrugated iron block up crashed-out windows and rooflines. Twisted, derelict prams and shopping trolleys

clutter the streets. The people look sullen, and ill-dressed. Your guide tells you dark tales of domestic violence and internal rule by a Merseyside God-father; they seem all too believable. These are not blacks, as in Toxteth; rather the detritus of a rehousing programme that went wrong Just a few minutes out in the nearby Wirral green belt sit the large, fat, detached houses, their protective plaques proclaiming: "This is a Home Watch area." The apparent fear is not of revolution, but of burglary. There are other burglary. There are other estates in Birkenhead, cleaner and nore conventional than Ford, and it is from these that

the unemployed emerge, to head for cash-paid "work on the side" in the delightful vil-lages to which Liverpool's pro-fessional and business classes commute. How much work on the side? The evidence can only be anecdotal, but a Wirral mature student, who has spent many years in the area and observed his friends and neighbours from more than one address, suggests that about a tenth of the unemployed have enough such considerably better off on sunplementary benefit than if they

who feel that it is just this vere in an orthodox job. A Birkenhead is not really getcollection of characteristics that is required if Britain is to survive, let alone prosper as a prementary tenent man in they were in an orthodox job. A Birkenhead is not really getfurther fifth are "reasonably ting away with much. It off and the central 45 per cent is in a high unemployment travel-to-work area (over 17 per



# Divided they stand

there," mainly to cover unex-pected bills. The remaining quarter are recent entrants to the ranks of the long-term un-employed, "problem cases," and the seriously unemployable. They have to manage on supplementary benefit alone.

Rates vary. If you are unemployed and able to work the basic weekly amount for a couple will be £49.35 from April 6. For pensioners, or the disabled the rate for couples will be £61.85. Something to cover rent and rates, is added. So are other "additional allow-ances," for items such as heat-

If the orders of magnitude or work-on-the-side are even for close to the truth they suggest a fresh approach to the prob-lem of the long-term unemployed, Those who reject Thatcherism will regard it all as a consequence of her policies; those who embrace the Prime Minister's attitude with enthusiasm will, surely, applaud the resourcefulness that lies behind the black economy even while wondering whether too many people are getting away with it.

medium area (9 to 17 per cent) and not very far from low un-employment areas (below 9 per cent) to the north and west of

chance in the country.

When the analysis is narrowed down to districts or even wards the same complex it. In the north-west as a pattern is seen in London the whole the probability of finding a job within a year of becoming unemployed is 80 per cent. Only of the city with employees the West Midlands, at 79 per made redundant in another, cent, is lower; East Anglia, at There is a certain constancy in

Financially active neighbourhoods: Merseyalde Each dot represents 150 households



council estates everywhere. Everywhere the prosperous majority sits close by.

In Birkenhead a good place to have coffee while discussing the poor is Beattie's. As you talk you can stare through to the fine china and glassware department, where the opulence is remarkable. It could almost be Harrod's. That is not an isolated example.

The dynamic chief executive of Argos Distributors, Dr Mike Smith, has more than doubled turnover during the Thatcher years (1930-86). The highest growth, 114 per cent, came in the Midlands and the next, only a percentage point less, in the northern region. His top stores last year were, in order: Belfast, Glasgow, Manchester, New-castle upon Tyne, Doncaster. New Oxford Street came sixth. Of course they have opened

more showrooms outside London, partly because there are more sites available. The average price per unit sold is lower up there. Perhaps there is less competition. But Dr Smith also wonders about income from the black economy and muses that, for those in work, the relatively lower cost of housing may mean a higher

Another guide to the wealth archipelago is the map of the most financially active people in the country those to whom one might sell unit trusts, for example, or those with building society and bank accounts. Pin-point Analysis Ltd., which specialises in computer map

ping, has fed in a large range of variables to indicate which of the 180,000 census enumeration districts in Great Britain contain the best prospects for sellers of financial services. The dots on the print-out cover most parts of the country, although they are thin in Section and the west and all of Scotland, except the Glasgow-Edinburgh belt. The map is based on a close-up of the print-out for Merseyside. It speaks for itself.

Some of this wealth in sur-prising places has doubtless prising places has doubtess emerged as a result of policies that either deny that greater equality is a desirable objective or, more likely, actively pro-mote inequality. The greatest inequality, which has shown the greatest growth, is caused by the increases in the numbers of unemployed, of pensioners, and of subgroups of dependents like single-parent families. This is perhaps the principal reason why the bottom fifth of households had to get by on a smaller proportion of the total of all incomes in 1984 than they did in 1986. Their share, after taxes and state benefits, fell from 7.4 per cent to 7.1 per the increases in the numbers of from 74 per cent to 7.1 per cent; the corresponding share of the top fifth rose from 37.9 per cent to 39 per cent in the same period.

But even for those in work inequality has increased under the Conservatives. The earnings after tax and national insurance of a married man with two children in the lowest tenth of earners grew by 2.9 per cent in real terms between April 1979 and April 1986. In the highest decile such a man would have enjoyed seven times the growth, or 21 per cent. Figures for other households and income groups fall into the same

There are other, persistent inequalities. Only last week the Health Education Council, in a celebrated final report, indicated that the well-known in-equalities of health and life expectancy have widened since the 1950s. Although the Govern-ment's statistical services have moved the spotlight away from class differences since 1979, it was true before then, and remains true now, that most life-chances increase as one moves up the social scale, whether the measure be income, housing, university entrance, future employment, longevity,

Part 7: Inequalities have widened during the Thatcher years, but the deepest divisions are in the mind, says that in the area of health the widening of inequality has contimed under Mrs Thatcher's administration. The counter-argument, that the number of people in the lower classes has diminished, thus diminishing the total quantity of class has a the total quantity of class-based ill-health, is consonant with the general pattern; that of a

widening sea of relatively comfortably off people surrounding desert islands of the poor. It is also true that much of the HEG programme is in reality an antipoverty programme, of the kind that Mrs Thatcher's ministers have turned away from, Neither contention absolves the Government of the charge that it has failed to pay sufficient regard to health education and preventive measures directed at the most vulnerable groups.

Another charge to which there is no decent answer from the Government is that it has failed to accept that Britain is now, irreversibly, a multi-racial country. The Asian-based communities are different in character from those of West Indian origin, but both are here to stay and both tend to be con-centrated in districts that have been the source of public dis-order in the past and doubtless will be again. The Government's protestation that it is simply colour-blind enables it to treat all manifestations of alienation as special pleading, or individual criminal or individual

Some 6 per cent of the popu-lation is new classified as non-white or "not stated"; about half that total was born in the UK A British Prime Minister could give a lead towards equality of opportunity as deci-sive as that of President Eisenhower when he integrated the US Army. This need does seem to be understood in Buckingham Palace, but not in 10 Downing.

What does appear to be under-stood in No 10 is that the world-outlook of a great many people has been tugged rightwards. This has not only been achieved by "winning the argument" on a number of issues; it is also a consequence of social change. As Professor A. H. Halsey writes in the 1987 edition of Social Trends, since the mid-1970s "a patiern has emerged of a more unequal society as between a majority in secure attachment to a still prosperous country and a minority in marginal economic and social

The division in the mind that has been the outstanding charac-teristic of the Thatcher years reflects totally opposed attitudes to that pattern. A third term-would be likely to bring the division into even sharper focus.

#### Company Notices

#### ANGLO AMERICAN GOLD INVESTMENT COMPANY LIMITED

Notice to members

NOTICE IS HEREBY GIVEN that the forty-ninth annual general meeting of members of Anglo American Gold Investment Company Limited will be held at 4 Main Street, Johannesburg on Monday, April at 09000, for the billowing

Sy order of the Board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTICE OF PREPAYMENT inal Finance Authority of British Colum 24,000,000 Carledian Dollars 101% Bonds dated May 15, 1979

In accordance with paragraph "Prepayment" of the Terms and Concitions of the Bonds, notice is
hereby given that the Authority
will propsy, on May 15, 1987, the
total amount remaining outstanding
of the above-mentioned Bonds at
101% of their principal amount.
Payment of interest and premium
due on May 15, 1987, and reimbursement of principal will be made in accordance with the Terms and Conditions of the Bonds. Interest will cease to accrue on Bonda as from May 15, 1887. The Trustee FINIMTRUST SA

March 31, 1987

BALL FINANCE COMPANY N.Y. LISS58,000,000

Floating Rate Notes 1983/1991
The rate of interest applicable to the interest period from 31st March up to 30th September 1987 as determined by the reference agency 2.4.3 tember 1987 as decermined of the reference agent is 62 per cent per annum namely US\$171.56 per note of US\$5000.

Clubs EVE has outlived the others because of a policy of tair play and value for money. Supper from 10-3.30 am Bisco and bo musicians, glamorous hostesses, exciting floorshows. 185, Regent St., W1. 01-734

REPUBLIC OF ITALY

ensum.
The relevant interest payment date will be June 30, 1897 and the coupon amount per Ecu 10,000 nominal will be Ecu 180.10 and per Ecu 100,000 nominal will be 1,201.04.

Legal Notices GLAS-CRAFT LIMITED

GLAS-CRAFT LIMITED

NOTICE IS HERBBY GIVEN, pursuant to section 48 of the Insolvency Act 1986, that a Meeting of the Creditors of the above-named company will be held at: Shelley House, 3 Noble Street. London ECZV 7DQ, on 8th April 1987 at 3.30 p.m. for the purposes of having laid before it the report prepared by the Joint Administrative Receivers in accordance with the said section and, if thought fit, appointing a committee. Creditors wishing to vote at the above meeting must lodge a written statement of their claims with us at Shelley House, 3 Noble Street, London ECZV 7DQ, no later than 12 noan on 7th April 1987. Proxies intended to be used at the meeting must also be lodged with us.

Detod this 24th day of Merch 1987.

M. J. LONDON,
R. M. ADDY,
Joint Administrative Receivers.

Personal

# Breadth without depth

IT IS TEMPTING to present the spreading of individual share ownership in semieschatological terms.

The ending of the historic divisions between capital and labour, the creation of a shareowning democracy and popular Mr Nigel Lawson, the Chan-ownership of British industry cellor, made a promising openhave all become Conservative Party catchphrases as the Government's policy has crystallised over the last four years.

As Mr John Moore, Financial Secretary to the Treasury, said at the time of the British Telecom privatisation: "Our aim now is to build upon our property-owning democracy and to establish a people's capital

On one criterion, the proportion of the adult population which now owns shares, the reversal of a 30-year trend has been spectacular. The latest survey evidence suggests that the number of shareholders in the UK has risen from about 3m in 1979 to 8.5m, or just under 20 per cent of the adult (overpopulation.

The less encouraging news for the Government is that the proportion of shares in UK quoted companies held directly by individuals has continued to decline since 1979, that most of those shares are held by the old and rich and that the scope for shifting the political allegiance of shareholders to the right appears limited.

The Labour Party, however, is missing the mark when it claims that new shareholders have been motivated purely by the wish to make a fast buck.
According to Mr Carey
Martin, of the public relations
firm Dewe Rogerson, who has firm Dewe Rogerson, who has organised several shareholder surveys: "People realised they could make some money out of it. But they were also attracted by the idea of owning a bit of a company they liked, like British Telecom or the TSB. Most people do not want to sell because they know the money will just go back into the building societies and they want to do something more exciting with it."

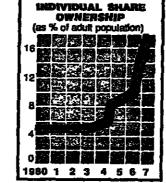
The pragmatism of the public reforms announced in this month's Budget, to allow employees to make additional voluntary contributions into a personal, supplementary pension, the interest of the public in the building societies and they want to do something more exciting with it."

The pragmatism of the public mirrors the earlier pragmatism of the Conservative Party. On of the Conservative Party. On the subject of promoting wider share ownership, the first lor has taken to remove some of the fiscal bias against direct share ownership has been the granting of tax reliefs for employee share trialists were generally suspicious of wider share espouse the cause until 1983 when it came to be seen as an adjunct to the privatisation pro-

Since then, the privatisation shares or share options in the change its holdings. A Stock programme has barely been tackled.

Mr Nigel Lawson, the Chaning salvo against the tax privileges of institutional in-vestment by removing life 1984 Budget. But under pres-sure from the lobbyists the following year, he retreated from a plan to tackle pension schemes in the same way.

Likewise Mr Norman Fowler, the Health and Social Security Minister, was persuaded to dilute his proposals for per-sonal pensions, which would have allowed employees to build up a share portfolio as part of their pension plans.



That possibility is now likely to be unattractive to all but a few employees already in occu-

monitor. It has insisted that all investment must be carried out through a financial institution.

approved employee share option schemes and the introownership and support for the duction in January of personal idea only became an important equity plans (PEPs). However undercurrent in Conservative and Liberal thinking in the small and the rules governing 1970s. Most members of the them complex. In its first tree present Government did not months, only 100,000 to 150,000 people took out plans.

Employee share schemes have achieved greater success. About

programme has been used company they work for, a figure vigorously as a device for which is spread fairly evenly widening share ownership, but across different age groups and two other prominent obstacles social classes. Even among to wider share ownership have skilled and unskilled manual workers, the proportion is around 6 per cent.

The Government's privatisa tion issues have, however, cast a wide net across the popula-The first big success was

British Telecom in December 1984 which attracted about 2.2m shareholders, of whom slightly more than half owned no other shares. After an initial wave of selling, most of the remaining shareholders have remained on the register. Even now BT still has about 1.7m shareholders. But the cost to the Government was high (over £3bn) according to the Institute for Fiscal Studies, mainly as a result of the under-pricing of the issue but also because of the long and lavish advertising campaign.

Then in September the TSB (not officially defined as a privatisation) was also substantially under-priced and attracted 3m shareholders, of whom about 2.5m remain on the register. The much larger resisten Gas issue in early British Gas issue in early December, which was more fairly priced, attracted as many as 4.5m shareholders of whom an estimated 4m remain.

Privatisations still in the pipeline, however, may lack the popular consumer appeal of British Telecom or British Gas. British Telecom or British Gas.
The next big opportunity to
reach untapped sections of the
population might be the electricity industry or Post Office.
Another possibility would arise
if one of the large building
societies, such as Abbey
National with 4ts 7m customers,
decided to become a public decided to become a public COMPANY.

A third way was suggested in January by Mr Lawson, He pro-posed amendments to the Com-panies' Act and Stock Exchange rules to allow private sector companies to promote and sell their shares to individuals. It is doubtful, however, whether institutional shareholders would accept that a British Gas-style advertising campaign by a com-pany was a sensible use of their money. Over the next few years,

there may be more scope for deepening rather than widen-ing share ownership. The Treasury-Stock Exchange sur-vey published earlier this in only one company, and en-other 15 per cent hold stock in only two companies.

Exchange analysis last summer indicated that the proportion of transactions by value carried out for individual, rather than from 28 per cent in 1983 to 19 per cent. The slashing of investors since the Stock Exchange's Big Bang reforms in October have boosted institu-tional trading by about 50 per cent and increased further their share of the total.

Individuals are mostly paying an unchanged rate of stockbrok-ing commissions. A few broking firms started a dealing-only-nofrills-and-no-advice service in October at lower rates but were so overwhelmed by demand that they have raised their charges again. The introduction of an automated dealing service for small investors by the Stock Exchange next year should simplify the paperwork and bring charges down.

The proportion of UK quoted company shares held by individuals has continued to fall steadily, from 59 per cent in 1963 through 28 per cent in 1981 to an estimated 25 per cent last autumn last autumn.

The biggest success of the privatisation programme has been in extending share ownership to the large and electorally important socio-econo-mic group, C2, which comprises skilled manual workers. About 16 per cent of this group are shareholders, mainly in privatised companies. Altogether about 40 per cent of the shrareholders in privatised companies are in the lower socio-economic groups, C2, D and E, who make up only 26 per cent of the share-holders in other quoted companies. panies.

When account is taken of the size of holdings in these other companies, a much less optimistic picture emerges from the Government's point of view. A telephone survey of 200 to 250 private shareholders in each of nine large quoted UK companies carried out recently by Dewe Rogerson suggested that about half the shareholders were over 65 and 63 per cent were from the professional and managerial A and B socio-economic proture. economic groups. Thus the shareholdings

the floating voters in the C2-group probably do not feature prominently enough in either their wealth or their consciousness to be an electorally enough the shape of the consciousness to be an electorally and the shape of the consciousness to be an electorally and the shape of the consciousness to be an electorally and the c important factor. But the abanmonth suggests that about a domnent of Labour's hostility to wider share ownership suggests that popular capitalism may become, if not a vote-winner then at least a votepeople took out plans.

If the new generation of entrencher, particularly if a shareholders is not alive to the achieved greater success. About case for holding a diversified succeeds in deepening share ownership in the 1990s.

## **Contracts and Tenders**



#### **Posts and Telecommunications Corporation** Telecommunications Development Project

#### General Procurement Notice: BADEA No. 2

With the authority of the Government of Zimbabwe, the Posts and Telecommunications Corporation (PTC) has negotiated with the Arab Bank for Economic Development in Africa (BADEA) for assistance in financing part of its programme for the development of the telecommunications network. Procurement will be subject to the terms and conditions of the Bank's Agreement. Invitations to tender are to be issued for the Harare Digital Trunk Exchange and three Harare Satellite Exchange extensions under Item 1 and other digital Exchanges with the associated Transmission Equipment under Item 2. Financing of Item 1 portion of the project is by loan negotiated between the Arab Bank for Economic Development in Africa and the Government of Zimbabwe. The successful Tenderer shall be requested to secure funds for the remainder of the project or the PTC shall seek funds from other sources.

Harare Digital Trunk Exchange, three Harare Satellite Digital Exchange extensions and associated Transmission Interface Equipment. Digital Exchanges in Mashonaland and Manicaland and the associated Transmission Equipment

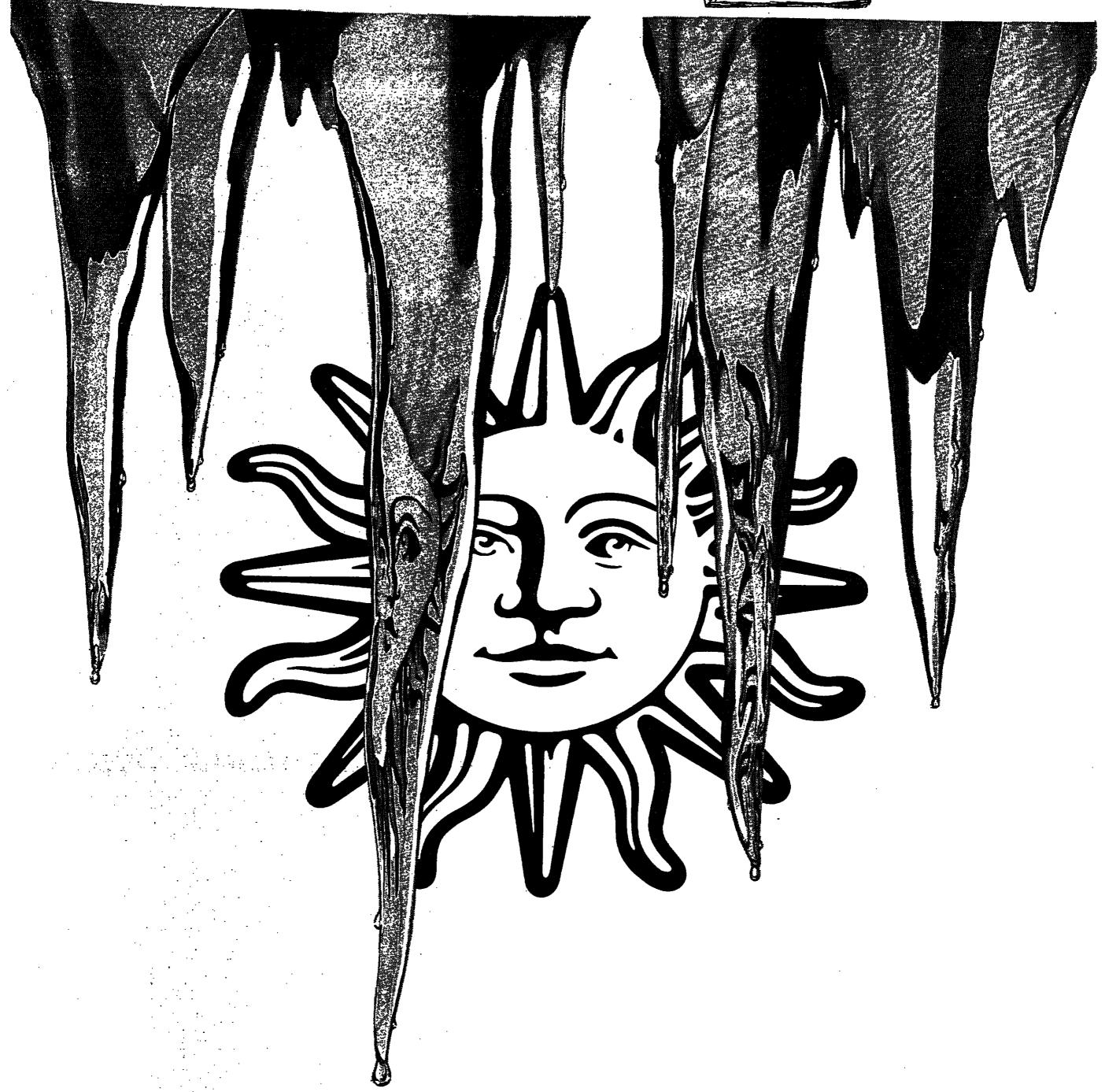
Tendering is open to companies and firms in countries that are subject to the resolutions of the competent organs of the League of Arab States, the Organisation of African Unity and the United Nations. Companies and firms interested in tendering for the above items are invited to make application in writing to either of the addresses below requesting the pre-qualification questionnaire.

The Secretary PTC Purchasing Committee P O Box 8061, Causeway Harare, Zimbabwe Telex: 4821 PTCHQ ZW

The Secretary PTC Purchasing Committee Room 10N6 Runhare House 107 Union Avenue, Harare Zimbabwe

The closing date for application for pre-qualification is 30 April, 1987.

PEC ST opporti pension



# SOLAR POWER

We have a special kind of power. It lies in our ability to offer options instead of rigid structures and to respond quickly to opportunities in a changing financial climate. Such is the power of our Flexible T-Plan.

It's the kind of power that unfreezes frozen pensions and thaws out fixed transfer values. It's seen in our versatility in providing pension solutions like our small self-

It's seen in our versatility in providing pension solutions like our small self-administered scheme, Suntrust; with 2,500 plans, we've left our competitors out in the

cold for the last 6 years.

And it's reflected in the speed with which we developed Flexible Retirement Account to exploit the 1986 Social Security Act and the growing market for Group Money Purchase schemes.

But we're no overnight success. In the course of our 175 years, Sun Life has developed into a vigorous investment house now marked by the strengths of SLIMS (Sun Life Investment Management Services). This year we're celebrating the outstanding performance of our unit-linked pension managed funds; they have not only shone in the top 10 for the past 3 years but finished 6th out of 106 funds in 1986\*

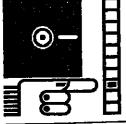
These are just a few good reasons why anyone interested in performance or expertise shouldn't overlook Sun Life.

So if you'd like to talk about some of our powerful investment ideas, ring Tony Setchell on our factline, 01-606 7788.

\*Source: Money Management Statis pack as at 1/1/87.



**BRINGING INVESTMENT TO LIFE** 



International electronics companies have created many of the 45,000 jobs in Scottish plants but an indi-

genous industry has been slow to develop. A stronger enterprise culture capable of taking advantage of the opportunities available is still needed, James Buxton, Scottish correspondent,

## **Spin-offs for** entrepreneurs

silent electronics plants, often produce more semi-conductors set in fine unspoilt countryside. The growth of the Scottish electronics industry has been one of the few big successes for the Scottish economy in recent years. Building on a base established during the Second World War by Ferranti and developed War by Ferranti and developed

makers of data processing equipment and semi-conductors.
IBM manufactures its personal computer at Greenock and the ranks of computer manufacturers—which already include Digital, Wang Unisys

by early post-war arrivals such as NCR and IBM, Scotland has

Electronics	turnover
Manufacturing Con by head office	e location
USA	72
Rest of UK	15
Scotland	5
EEC	. 5
Japan	3
	100

IF ONE of the great 19th century barons of Scottish heavy industry were to return to Scotland today, he would be astonished to find that data processing equipment is now the country's largest single export. And he would be amazed to find that familiar smokestack factories were being replaced rapidly (but not painlessly) by clean, silent electronics plants, often

sence of nearly 350 electronics companies, Scotland's manu-facturing output in 1985 would have been drastically below that of 1979. But because of a in the past few years gained many of the world's leading doubling in those years of the value of output in the electronics sector, Scotland's total manufacturing output just got back to its 1979 level by 1985. It was however an increase achieved without a corresponachieved without a corresponding rise in employment. Although the issue of employment in the electronics industry is bedevilled by questions of definition, the Scottish office reckont that in 1985 the industry employed 43 200 people which

> lower than in 1984.
> As the world electronics industry moves out of the 1985-86 recession and spare capacity is taken up, employment should rise slightly: Economic Development Briefing, a London consultancy, recently pre

Scottish Electronics

Disc drive production at Rodime's Glenrothes plant

dicted that US companies would create 3,700 new jobs in Scotland by the end of 1989 both through expansion projects, some of which are under way and new arrivals. But appears and new arrivals. But anyone still looking to electronics to make up for the enormous job losses in other manufacturing industry will be disappointed.

What has happened over the past few years is that Scotland has succeeded in attracting a major share of those US and, to employed 43,800 people, which was only 4,500 more than the level achieved in 1978, and 900 a lesser extent, Japanese companies which for reasons of convenience or protectionist press-ures have decided to establish manufacturing operations in

Since all development areas provide grants, final location decisions are likely to be made on other grounds, and Scotland may well benefit from its strong educational and research tradition in electronics, and, to an immediate extent from the fact

sized by the Scottish Develop-ment Agency whose Locate in Scotland operation—run jointly

IBM complex at Greenock, where some £250m has been invested over the past seven may well better that it is a selectional and research tradition in electronics, and, to an increasing extent, from the fact that so many companies are here already, providing both an appropriate environment and visible reassurance that electronics companies flourish in Scotland.

Factors like these are emphasised by the Scotlish Development Agency whose Locate in Scotland operation—run jointly in the group. years and there are no Amer-

Europe.

The factors that induce a company to choose a particular considered by US electronics companies in the Economic can be defined as the electronics companies in the Economic can be defined as the electronics companies or as the central belt of Scotland, an area considered by US electronics can be defined as the electronics companies in the Economic can be defined as the electronics companies or as the central belt of Scotland, an area considered by US electronics can be defined as the electronics companies in the Economic can be defined as the electronics companies in the Economic can be defined as the electronics can be defined as the e 70 miles long and 40 miles deep—the Scottish electronics industry has not done all that

The aim, as expounded by Mr tive of the SDA, was that the growing presence of multi-national companies would cre-ate a powerful indigenous Scott-ish electronics industry which would supply the major com-panies with components, while little groups of managers would spin off from the big plants and set up their own operations. In fact only 17 per cent (or £350m to £380m worth) of the major companies' main inputs are sourced in Scotland and the

are sourced in Scotland and the proportion drops to only 12 per cent when all inputs are included. More than half their inputs come from outside the UK. The Scotlish-owned and managed sector of the industry managed sector of the industry represents just five per cent of the labour force, with other UK companies, including Ferranti (employing about 8,000 people) and Marconi, both mainly in defence electronics, accounting for a further 20-25 per cent.

There are several fairly small Scottish electronics companies, such as Office Workstations and

There are several fairly small Scottish electronics companies, such as Office Workstations and Fortronic, but only one relatively big one, the successful Rodime whose sales are around the \$100m mark.

Mr Bill Miller, managing director of Prestwick Circuits, a Scottish company which makes printed circuit boards, points out that the incoming companies usually come to Scotland to make products designed in the US. "Their managers are expected to perform and one way to do that is to keep their sources of supply in secure hands—the ones they know," he says.

says. The US multinationals do not the US minimationals do not develop products in co-operation with their suppliers in the way they would in Massachusetts or California, he claims. And he argues that as each multinational has very different technical requireeach multifational navely different technical requirements, it is not always economic for a company of Prestwick's size (about £20m turnover this rear to goes up to meet the year to gear up to meet the demands of a wide range of

customers. However Mr Bob Beaty, the assistant plant manager for IBM at Greenock, believes that Scottish and other UK companies ish and other UK companies should have the courage to invest in new production lines and raise their standards to meet IBM's exacting requirements. The company's policy, he says, is to buy inputs from Scotland first, then from the rest of the UK, then from the EEC, and finally from the US.

It does in fact get from Scotland just over half of the almost 50 per cent of its inputs that

50 per cent of its inputs that

such as packaging and instruc-

Mr Alastair Macpherson, head of the SDA's electronics division, says that "the potential for internally generated growth (in the Scottish electronics industrials). the scouts electronics indus-try) is an area of concern." He puts some of the blame on culti-ral attitudes that discourage entrepreneurship among the "graduate strata of the popula-tion."

He points out that although some of the incoming com-panies do a fair amount of research and development in Scotland very few of them carry-out marketing from their Scottish plants. This means that tish plants. This means that there are not many executives in the multinationals who know the full range of the business, so that they are in a poor position to set up spin-off operations out-

side the company.
Significantly Hewlett-Packard, which designs and manufactures telecommunications has spawned some spin-off operations.

in the Outer Hebrides, believes in the "critical mass" theory.

Mr Jim Martin, of Investors in Industry's Edinburgh office, says he knows of several situations where managers in a com-pany could buy out certain operations, currently given only medium priority, with the approval of their parent organisations. He calls it the sponsored spin-off concept.
Investors in Industry is setting

up a £50m fund to finance management buyouts in Scotland and is to hold confidential briefing sessions for managers considering doing so. He believes that the answer to the problems of the electronics industry lies

facturing companies in the electronics sector are Scottishowned but their employment amounted to only about 3,000 out of total Silicon Glen employment of about 44,000. Out of about 40 companies 32 employ up to only 100 people, and 27 of these have fewer than 50.

The example which the SDA would like to see emulated more often is Rodime. Rodime was formed in 1980 by three Scots and one American who

testing equipment at South Queensferry near Edinburgh, does do its own marketing and

The managing director, Mr Finlay Mackenzie, a Scot born "People do leave here to set up on their own, but perhaps not enough," he says. But, he adds, "a virtuous circle is beginning with companies like us."

in promoting an enterprise cul-ture more vigorously in Scot-

come from the UK, but these include fairly mundane items

The company began with ven-ture capital financing and when it first went public chose the US over the counter market though it is now also quoted on the British Stock Evabours British Stock Exchange. Each year, mainly from its research base at Glenrothes in Fife, it has brought out new rotating disc memories that differ in capacity but have consistently become

cot, Olivetti, ICL, Philips and others, but the list does not include IBM.

Scots and one American who

broke away from Burroughs to develop and market their own designs of rotating disc memor-

ies for use in personal compu-

Rodime employs 600 people at Glenrothes. Since 1964 it has also had a factory at Boca Raton in Florida (employing 200) and is now gearing up a plant in Singapore—a necessary development, the company believes, if it is to compete with products coming out of low wage cost plants in the Far East. The

cost plants in the Far East. The Singapore plant will manufacture components for the Glenrothes facility to assemble. Rodime achieved powerful rates of growth until last year, Between 1982 and 1985 its sales, measured in sterling, went up from £4m to £75.8m. But in the year to September 1986 growth year to September 1986 growth in dollar terms was only margi-nal (rising from \$95.6m to \$97.6m) but as a result of exchange rate changes it fell in sterling terms from £75.9m to £66.3m even though volume was up 26 per cent. The final result

was a loss of £2.74m.
Rodime said at the time that its longer-established products were suffering from tough competition and tight margins at the commodity end of the market.

Small fry need more support SILICON GLEN, says Mr Bill Miller, managing director of Prestwick Circuits, is not like Route 128, the highway near Boston along which are clustered dozens of small to medium sized electronics components makers and software companies who collaborate very closely with the major manufacturers and assemblers.

In Scotland, he says, there is often a wide gulf between the Scottish finance director, says that the recovery will be based

**US** 38%

i - 2.

Return Table

TELL CLASS 111 ... 14

gi deriden in

home tale of

marter Lev

SHI

Financial Times Tuesday March 31 1987 Electronics market

8-5x rest of world 5x

31% EEC 9%

35% rest of UK 23%

Scottish companies

Turnover (main products)

scomsh manes the based that the recovery will be based on new products in the volume market place. "We've usually been a little bit ahead of our competitors and we've got a regulation for understanding the business," he says confidently. Scotland is Rodine's location more than anything because that is where its executives like to live. It takes less than 10 percent of its inputs from Scotlish component suppliers and only 30 per cent from the whole of Britain. It has only one Spottish customer, Apricot, also based in Glemothes. Nevertheless it appears wedded to Scotland. In Scotland, he says, there is often a wide gulf between the major companies and smaller fry. "You can see why more managers don't get out and do their own thing—they don't get support from their (potential) customers." And he argues concepting between major manu-

customers." And he argues cooperation between major manufacturers and their suppliers is
probably better in the south of
England, where, he says, there
are more indigenous electronics companies such as GEC
which are more disposed to
help their smaller compatriots.
Nevertheless there is an
important substratum of Scottish-owned companies and a
number of them, some of which
are looked at in this article, are
reasonably successful suppliers
to the big manufacturers.
Altogether the Scottish
Development Agency reckons
that 41 per cent of all manufacturing companies in the electronics sector are Scottish-Mr Derrick Bumpsteed, managing director of Eracts, which aging director of Eracts, which manufactures printed circuit boards (PCBs) at Selkirk in the Borders, does not consider his company to be part of Silicon Glen (though the definition of the glen is loose enough to include it), yet more than a third of its customers are in Scotland.

An Englishman, he was sent to An Englishman, he was sent to run Exacta by STC but almost immediately became involved in what turned out to be a successful management buyout of the company from its parent. Since April 1996 Exacta has been a free standing company owned by its management and institutional investors in London and Scotland.

Exacts considers itself to be in the high-tech end of printed circuit board manufacturing. making multi-layer boards to the designs of its customers, usually the multinationals. In the first eight and a half months of its separate existence—up to the end of 1986—Exacta had sales of £12.6m and a net profit of £614,000. The turnover on an annualised basis is put at about

annualised basis is put at admit 17.5m and this year Exacts is hoping to go up to £20m.

It also expects an improvement in profitshility. At present in Scotland (to IBM, Hewlett-Packard, DEC, Wang and others), 17 per cent to the rest of the UK and 47 per cent to the EEC.

Exacta is introducing just-in-time methods of production and delivery. This means working Smaller in size.

They are incorporated in the products of Apple (which takes meet their supply requirements in precise quantities exactly apply they are needed thus eliminating wasteful inventor-ies. Other Scottish manufactur-ers are doing the same thing. and the SDA is making a major effort to persuade companies to adopt just-in-time methods.

Both the SDA and component manufacturers are intensely aware that as the use of JTI becomes more widespread the number of suppliers each major company will use is likely to be reduced. So it is extremely anxious that the introduction of just-in-time methods should be successful.

"The jargon in the industry is 'Just in Time'," Mr. Miller of Prestwick Circuits comments, "but only a few companies understand what it means. We are trying to implement it, but you can't do it overnight." Prestwick is now recovering

from the effects of the recession which caused it to lose £2.28m in which caused it to hose a continue the year to July 31 1986 on sales that were sharply down, from £18.85m in 1984.85 to £14.84m. But the company now says it is about £20m.

# The best place in Britain for picking up new business.

Livingston, near Edinburgh.

In the last 5 years we've picked up more new business than any other town in Scotland.

Business that includes NEC's only semi-conductor plant in Europe.

They're here for the clean, purpose-built environment, the highly skilled workforce, the Development Area status, the transport and communication facilities.

But, like Unisys, Burr-Brown, Ferranti, and Mitsubishi, they're also here for one of the richest seams of electronic activity in Europe-Silicon Glen.

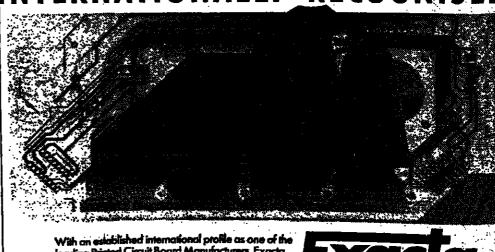
Almost everything they require for their manufacturing processes can be supplied from within a 40-mile radius.

And what can't be today - will be tomorrow.

In fact, much of our success in picking up new business is the number of suppliers coming to pick up new business.

If you'd like to know more, clip this coupon and send it today.

To: David Balfour, Commercial Director, Livingston Development Corporation, West Lothian EH54 6QA. Tel: 0506 414177. Prove that Livingston is the most logical location for my company. BLOCK LETTERS PLEASE. Europe's most logical location.



leading Printed Circuit Board Manufacturers, Exacts can be seen throughout the European Electronics market to be creating the innovations that keep

Exacta Circuits Limited : Selloik · Scotland TD7 5EJ · Tel: (0750) 21601 · Teles: 72501 Also in: France · Scandinovio · Germany

You'll not fail to recognise the jackets in London · Paris · Munich



software companies employing about 7,500 workers. In the cen-

tral belt between Glasgow and

Edinburgh, there is a software valley to add to the silicon glen.

These figures surprised even some software professionals in Scotland. The Scottish Software

House Federation has now been set up to help increase the visibility of the industry.

Its chairman, Dr Peter Pal-

mer, who runs Spider Systems, a software house specialising in

networking, argues that government aid projects, such as the Alvey programme, have tended to miss out the smaller software

This is a complaint also heard from the rest of the UK industry, but Dr Palmer says it applies

particularly acutely to Scotland.
If the Scotlash software industry manages to develop further, then Scotland will soon be able to boast a fully integrated elec-

tronics industry—through com-ponents, to hardware and soft-

the effectiveness of the sortie

and the crew's perform-ance—a valuable aid to train-

ing and mission planning.
Following the GR5 order
announced in November this
is the second major contract

to be won by Ferranti in which multiplexing of both monochrome and colour video signals into a compo-

site video signal is required.

Ferranti is now firmly estab-

lished as a world leader in military video recording sys-

tem technology. The com-pany is able to offer a com-

prehensive capability ran-ging from cameras and recor-

ders to multiplexing equip-

ment, ground replay systems

**David Thomas** 

Semiconductors

## More investment in the pipeline

ANY DAY of the week, large the process of building up the consignments of lightweight infrastructure of skills and serpackages are shipped into and vices that are bound to influence that are bound to influence the control of the consideration of the considerati out of a string of plants across
Scotland's central lowlands.
They may be going virtually anywhere in the world, and they may have come from equally far-flung places.

The bits and pieces inside may, indeed, have left one of the

few week before and come to have a milk round of the Engloack in alother. For this is the ish universities, but we no lonsemiconductor industry, the most global business mankind personnel director at National has ever known, and one in Semiconductor in Greenock which international economies "The Scottish universities have of scale are virtually a condition always had a strong engineering of scale are virtually a condition

The coss-flow of components which is an intrinsic part of semicorductor production points both to the strength and the weakness of the Scottish industry. On the one hand, Scottish production has become a wirtually indispensable resource for the big multinationals which dominate this business, a vital link in the chain of manufacturing.

tradition, and that appears to tradition, and that appears to have been transferred to modern technology."

This supply of qualified personnel may become more important in the years ahead because of the trend towards semi-custom chips, or ASIC (Application Specific Integrated Circuits). By 1990, some forecasts suggest that ASICs will account for about a quarter of the UK and European mar

busicess, a vital link in the chain of manufacturing.

On the other hand, the Scottish plants remain only an adjunct of larger organisations, with little or no control over the most crucial decision-making processes of the companies to which they belong.

None of the large-scale producers in Scotland is an indigenous manufacturer with a role in the region, and hardly sight details of their financial situation in terms of sales or profitability.

Intercasts suggest that rables will account for about a quarter will account for about a quarter of the UK and European markets because of their ability to give users a tailor-made design at relatively cheap prices—the chips are made to a largely standard format which is then customised to individual needs.

ASICs do, however, demand additional design skills, often provided by the semiconductor manufacturers in special units which customers can use to put together the chip design they want.

Scotland has also developed a substantial back-up service

24: 1] 8:00:

1 March 2012

-- Zer

the mints

1.50

. . .

fragility of this satellite struc-ducers can find virtually any-ture was illustrated at General thing they want on their own Instrument Mirroelectronics, a doorstep. With the arrival two Scottish manufacturing subsidi- years ago of a Japanese silicon

restructuring move outside its and testing of the products.
home bast in the US—evidence At present, SEH is working that wher the chips are down out of a two-year-old pilot plant the headquarters of a multi- and is only slicing and polishing nationalized to count far more imported silicon, but it is planting outside in the contribution of the country of the contribution of the country of the contribution of the country of

to attact new outside invest. Other elements in the infras-ment n this sector for the best tructure are a variety of compart of 20 years. As a conse-panies supplying the chemicals, quene it is well advanced in solvents and gases that go into

MILLE

FACTORIES, OFFICES.

THE RIGHT ATTITUDES!

THE RIGHT PEOPLE.

KNEW THE PERFECT

PLACE ...

The bits and pieces inside found that the local universities may, indeed, have left one of the plants involved in one shape a of the type they need. "We used form the first transfer the Early transfer transfe always had a strong engineering

substantial back-up service A little over a year ago, the structure which means that oroscottish manufacturing subsidiary of the US General Instrument group, which announced that it was aing its plant at Etsu, the region is now on the Glenrothes in fyfe with the loss of 120 jobs.

Hit by a string of poor results, cycle locally, from the production decided to pull out of Scottion of the silicon crystals, to land as part of a general wafer fabrication and assembly restructuring move outside its and testing of the products.

than the outlying subsidiaries. ning a £35m expansion over the Despite this inherent weak-next two years that will turn it ness in the Scottish semiconinto a fully integrated silicon ductor industry, however, the producer and expand its work-area his shown a steady ability force from around 75 to 350.

SHE KNEW WHAT SHE WANTED

For details contact The Commercial Director

Cumbernauld Development Corporation, Cumbernauld House

CUMBERNAULD G67 3JH Tel: 0236 721155



High-speed Teradyne board testor, part of Honeywell's compu-manufacturing division at Newhouse, Straticiyde

plies and services macninery imported from the US. MTL Microtesting has a similar facility manufacturer, to press ahead for test and burning equipment. with an £80m fabrication unit at its Livingston site.

In total; the semiconductor sector is reckoned to employ about 5,000 people directly in the region, with a further 5,000 in companies which provide equipment and support services. Over the last two years, these numbers have been under pressure from the world-wide slump in the semiconductor its Livingston site. The company already assembles this from Japanese-made parts at Livingston; but the new investment will enable NEC to go through the whole chip manufacturing process for its these numbers have been under the world-wide slump in the semiconductor production as its Livingston site.

Even though demand has held up relatively better in Europe than in the US and Japan, manufacturers are so integrated on a world scale that Scottish pro-duction is by no means sheltered. As a consequence there have been layoffs and some

investment delays.

Nevertheless, the next few years are likely to see healthy expansion, due both to the continuing growth of the market and the desire of semiconductor manufacturers to be close to their markets.

The Japanese, in particular,

are now moving into Europe in greater numbers, and as they expand are likely to seek more and more local production as a means of avoiding tariff bar-

the production process, and riers and reducing protectionist groups which self manufactur-ing equipment. Tegal, for Evidence of the changing example, the Motorola subsidiperceptions of the Japanese has ary, has a plasma etching busicome recently with the decision ness in Livingston, which supplies and services machinery frogged into the position of the

Further output increases are in the pipeline from a number of investments by American companies, although the degree of final sales growth will depend crucially on the next upswing in the market.

One new company, Integrated Power Semiconductors, established by American entrepreneurs three years ago, is in the process of investing £35m to produce power control integrated circuits.

expenditure is coming from Digital Equipment Corporation, the US computer group, which is putting £35m into a chip plant which is now due to open in 1989; and Burr-Brown, the US manufacturer of monolithic cir-

companies are also expanding. Motorola, for example, is coming towards the end of a £100m investment at its East Kilbride plant which will eventually add around 250 jobs to its workforce of 1,800. Hughes Microelectronics, a subsidiary of the Hughes Aircraft company, is also spen-ding £25m in Glenrothes in an including IBM. expansion that should create around 500 jobs and bring its

workforce to 1,160 by 1990. In addition, National Semi-conductor is pushing forward with a delayed £100m spending programme first launched in 1984 just before th slump in semiconductor demand.

The Scottish Development Agency, whose grants and assistance are largely responsi-ble for the growth of the semiconductor industry in the region, believes that the industry has now developed sufficient size to continue as a selfperpetuating force in the

region.

Many of the manufacturers agree, although there are some grumbles about local facilities—Mr Barry Waite, vice president at Motorola in East Kilbride, for example, says that rates are now so high that they are a distinct disincentive for any newcomer, virtually cancelling out the aid available from the SDA.

What is probably most encouraging for the future is that there is now a broad spread of skills, services and products in the region. The Scottish-based manufacturers produce the full gamut of products from microprocessors to one megabit It has therefore built itself a

buffer against cyclical varia-tions which should serve it in good stead in years to come.

**Terry Dodsworth** 

wake of the decline in shipbuilding, and the right mix of quality suppliers. Over the years we made investments that cumulatively amount to £280m. And we haven't regretted it."

This slowing endowement of the wheet Patrial's telecommunications division at telecommunications division at telecommunications division at the communications division at the communication at

out in Scotland, along with

manufacturing.

However, these are the excep-

"The Scottish electronics

**NEWS** 

Ferranti Metrology Systems,

Dalkeith, has received an order from the Renmin

Machinery company in China for one of the largest

co-ordinate measuring

machines manufactured by

Ferranti.
The Renmin Machinery com-

pany produces a range of special purpose printing machines at a factory in Beij-

ing. The machine, a Merlin

produced by the company to ensure manufacturing toler-

ances are met. It will be deli-vered later in the year.

An experimental television

system which uses a pulsed laser beam to extend under-

water viewing range has been successfully tested by Ferranti Defence Systems.

The prototype system has been developed by the Edin-

burgh-based Electro-optics Department under contract

The trials of the prototype system demonstrated that a

pulsed illumintor gated camera can penetrate grea-

ter distances through turbid

water than any conventional

arrangement of underwater camera and lighting.

Ferranti Defence Systems

and Ferranti Computer Sys-tems have pooled their

calibration and electronic

equipment support facilities to offer a nationwide service

Ferranti Offshore Systems has been contracted to link the five sites involved in the

BP Villages development with a digital telephone

communications equipment.

to all levels of industry.

the Offshore Supplies

A clearer view

Office.

will inspect components

BUSINESS

China

Merlin for

IBM throughout Europe, gave development in Scotland this account of the company's Greenock plant to the massed Packard's Scotlish telecommunications plant, which makes equipment to test telecom systems, are the world centres for a particular product in the parent's portfolio. In such cases, design and research and development tend to be carried out in Scattled clean with

IBM's Greenock plant has steadily expanded and now employs 2,800 people. It is the company's European centre for the manufacture of personal computers and also makes display terminals for IBM systems. About 85 per cent of its output is

ing Scotland for a major plant.
Digital Equipment, Unisys,
NCR, Hewlett Packard, Honeywell and Wang are among the
groups which have also set
down manufacturing roots

there. But the best news for Scotland on the computer front in the past year concerned a relative newcomer to the ranks of American computer heavyweights

Compag has been in the thick cuits for military uses, has of the struggle involving IBM grown steadily since its and the often young computer establishment in Livingston in companies which have laun-1982. Ched PCs compatible with the The older-established US BM standard. Compaq has done well out of this mass so-called "clone" war: it has been one of the world's fastest growing computer companies ever since it was founded.

the fallout on Scotland from one of the major computer industry developments of last year, the merger of Sperry and Burroughs to form the new computer giant Unisys. Unisys immediately set in train a worldwide review of its new empire: one of the consequences was the closure of its computer factory at Cumbernauld, which made small minicomputers with the loss of 360 jobs. Unisys has another facility at Livingston.

The Scottish Development

One complaint, perennially directed against all forms of inward investment, is that not enough components are sourced locally. The foreign companies in the main take this charge main take this charge seriously.

Some claim to source a lot o



Manufactured in Scotland for over 30 years

Merrion Avenue, Stanmore, Middx. HA74RS Telephone: 01 954 2356

and the sometiment of the sound of the sound

Data processing

## Plea for local components

industry.

"THOSE WERE the decisive facrest of the UK or even Europe. scene is very hardware-domintors 30 years ago when we went Others echo the sentiments of ated and is comparatively weak to Greenock. We found an Mr Finlay MacKenzie, general in advanced software," says Mr engineering skills base, in the manager of Hewlett Packard's Jim Howe, who heads the artifi-

haven't regretted it."

This glowing endorsement of the experience of making computers in Scotland did not come from any old data processing company. It was made by IBM, the world's largest.

Mr Kaspar Cassini, head of IBM throughout Europe, save development in Scotland.

ranks of the American Chamber of Commerce at the London Hil-ton earlier this month.

IBM is not alone among Amer-ican computer and information technology companies in choos-

Compag Computer, the Hous-ton-based company founded only in 1982.

Compaq chose Erskine, near Glasgow for its manufacturing base which could be employing 350 people by 1990. Highly pro-fessional wooing by the Scottish Development Agency—it had targeted Compaq as little as a year after the company's foundation—helped tip the balance in Scotland's favour. So did the market logic of being in the UK. Compaq's best prospect in

Europe at the moment.
Compaq's decision signified more than yet one more inward investment victory for Scotland, important though that was for A further wholly new chunk of an area of continuing high expenditure is coming from unemployment. It signalled confidence in Scotland by one of the success stories in what is arguably the most cut-throat battle in computing at present: the personal computer war.

was founded.

Moreover, unlike many other
of the combatants, Compaq has
been prepared to innovate
ahead of the rest of the pack,

However, the more common experience among American computer companies in Scotland has been of steady growth. For instance, Digital Equipment Corporation, the third largest computer manufacturer in the world, is expanding its Ayr plant, which now employs about 1,000 people making low end machines in DEC's minicomputer range, at the rate of about 90 jobs a quarter.

Agency reckons the data processing industry has now reached critical mass, where growth will be self-sustaining.

components locally aiready—by which, they may mean from the

#### ADVERTISEMENT =

cial intelligence department at Edinburgh University, widely recognised as a European leader in artificial intelligence, which is at the forefront of

research in the computer

His department has set up an institute which works with com-panies to help translate artifi-

cial intelligence research into industrial applications. But most of the take-up has been

from companies based south of the border or in Continental

Of the big foreign-owned com-

puter companies with plants in Scotland, Professor Howe says:

"We've had very little contact with these companies so far."

This is to say that software in Scotland is relatively isolated

from the hardware side of the business not that Scotland

lacks a software industry.
On the contrary, a recent sur-

vey by the Scottish Develop-

#### AVIONICS **Export Tornado success**

Contracts worth several million pounds have been received by Ferranti Defence Systems from British Aerospace, Military Aircraft Division, for video recording systems and associated ground replay associated ground replay facilities. The contracts, for export Tornado aircraft, were won by the company's Edinburgh-based Display Systems Department against stiff international competi-

The video system monitors displayed data from the aircrew's radar and navigation display and the pilot's view overlain with head-up dis-play symbology. After each flight the video tape is immediately available for

use in debriefing to assess

#### and special-to-type equipment. CAD/CAM Largest CAM-X system

Dowty Fuel Systems of Chel-tenham has ordered nine full colour CAM-X workstations, valued at £300,000, from Ferranti Infographics, Living-

This current order from Dowty—a leading company in the design of advanced aircraft engine systems, pure air systems for infra-red detection and torpedo prop-ulsion systems—brings the total number of full colour, high resolution workstations to fourteen. A further nine workstations, to be added later this year, will make this site the largest networked

After careful evaluation of a number of competing systems, the Ferranti Infographics CAM-X was selected because it was the only one to offer a highly competent 2D facility with efficient 3D solid modelling and, most importantly, the drawing control software module—ERMS.

CAM-X system in Britain.

CAM-X is a modular system which expands with customers' requirements, a major reason why Dowly has made it the company's draughting standard.

The good news is FERRANTI Selling technology

#### THE FT TENTH **WORLD ELECTRONICS CONFERENCE**

London, 13 & 14 May, 1987

This 1987 meeting is set against a background of exceptional turbulence and uncertainty for the industry. Shifting patterns of international competition and trade, higher development costs and shorter product lives are increasing pressures to find new ways to add value and earn profits.

The conference brings together a distinguished panel of industry speakers to review the opportunities and challenges, including:

Mr James G Treybig President & Chief Executive Officer Tandem Computers Incorporated Mr Gerrit Jeelof

Vice President Philips Gloeilampenfabrieken NV Sir James Blyth

Managing Director Plessey Company plc Director

McKinsey & Co Inc

Mr Peter Bonfield Chairman & Managing Director International Computers Limited Ing Pasquale Pistorio

SGS Microelettronica SpA M. Philippe Dreyfus Vice Chairman CAP Gemini Sogeti

Chief Executive Officer

Mr Michiyuki Uenohara Executive Vice President & Director NEC Corporation

This will be the tenth meeting in this high-level series, which has for the past several years provided an unparalleled forum for in-depth analysis and discussion of key industry issues.

THE FT TENTH WORLD **ELECTRONICS** CONFERENCE

Tel: 01-621 1355 Th: 27347 FTCONFG Fex: 01-622 8814

To: Financial Times Consumor Organization
Minuter House, Arthur Street, London EC4R 9AX

## Tailor-made formula for **UK** electronics efficiency

panies in the electronics in-dustry can reduce costs and increase the reliability of their products through the use of custom microchips. The circuits, also known as application-specific devices, can be turned out quickly using advanced chip design and manufacturing techniques, and are making rapid inroads into the world's \$21.5bn market for integrated circuits.

These conclusions come from UK Department of Trade and Industry report into the use in Britain of custom microchips.
Yet to be published, the study
by Michael Shortland
Associates, Guildford-based consultants, says that Britain has a lead in Europe in applications of the circuits. It warns, how-ever, that this advantage could slip unless the Government osts awareness of custom chip techniques within British in-

According to the report, about 4,000 small- to mediumsized companies operate in the UK electronics business, Of these roughly three-quarters employ fewer than 100 people.
"We are convinced that custom integrated-circuit technology could have a significant influence on the profitability and competitiveness of the vast majority of these smaller com-panies," says Michael Shortland

"Customers of these com-panies will also benefit through enjoying products purchased at lower prices (and) featuring Custom chips account for about one-eighth of the total

world market for integrated

how smaller companies could make better use of custom chips

circuits, and the proportion is increasing rapidly. Unlike con-ventional, or standard, microchips such as microprocessors or memories, custom products are built to suit the needs of a specific user.

a specific user.

In the past, due to the difficulty of designing a new circuit
and then producing the device
in silicon, the prices of such
chips were prohibitively high
for most companies. Also, lead
times were too long. As a
result, custom chips have traditionally been suitable only for
specialist and high-value applications, such as in military
equipment.

equipment.
In recent years, however, a new generation of software techniques has enabled engineers to design chips using desk-top scientific work stations, made by companies such as Sun and Apollo, or personal computers, from manufacturers like IBM and Olivetti.

The designs are converted to products using chip manufacturing equipment, such as electron-beam lithography

systems.

According to the report, use of custom chips, compared with applications based on standard components can cut manufacturing costs substantially. For

Peter Marsh looks at example, one electronics company told the consultants that by using custom technology it had reduced the electronic inpards of a product from four printed-circuit boards to onein the process cutting the production cost from £500 to £180.

The consultants say that the reduction in size of products, for instance, by using one custom chip instead of several standard devices, can prove beneficial. "Completely new concepts of miniaturised pro-ducts have been made possible by the use of custom integrated circults—hand-held transceivers telephone bleepers, musical instruments and security devices are just some examples

Better performance is also important. One company reported that with custom techreported that wind custom tech-niques it increased the speed of a logic circuit tenfold com-pared to the comparable standard type of device.

of such products."

In the UK, custom-chip design and production services are offered by several dozen companies, many of them subsidiaries of big overseas-based electronics groups, including Texas Instruments, VLSI Technology, Thomson, Fujitsu, NCR, Hitachi and National Semiconductor. conductor.

UK-owned companies which offer such services include Plessey, Ferranti, Racal, Newmarket Microsystems, Qudos and Wolfson Microelectronics. Plessey, Ferranti, Racal, Newmarket Microsystems, Qudos and Wolfson Microelectronics.

Small firms designing their own chips can either rent software from the supplier and use their own computer systems in small batches. That gives a small company the chance to try out a small number of chips, perhaps in a prototype of a new product—a new office machine or a radio receiver for example. As a result, use of custom circuits may help a com-

World Market for Integrated Circuits

#### FOUR-PRONGED ATTACK BRINGS PRODUCT IMPROVEMENTS

DESIGN and production of custom chips involves four main techniques. In the most popular of these, a designer builds up blocks of circuitry, using computer-aided design techniques, on a simple form of chip called a gate-array.

Once the design has been completed and simplated in the computer, to ensure it works correctly, it is converted to a mask, a sheet of material with lines etched in it to mark the positions of circuits. This is then used in the processing stage.

The three other types of or produce the designs at the premises of the service pro-vider. In all cases, the custo-mers require a "silicon

mers require a "silicon foundry," perhaps at the site of a major electronics producer, which is where the designs are transferred to semiconductor material. A key element to the custom chip industry is that circuits can be turned out quickly and in small batches. That gives a

pany to bring products on to the market more quickly, and ahead of the competition. It can take as little as a few days to complete a custom design using the most modern software methods. And to obtain a prototype chip using custom methods may take only six to eight weeks.

custom chips include: standard cell techniques, in which the engineer produces a circuit design using a library of standard groups of circuits; programmable logic arrays, which use chips based on links between different circuits that can be fused to provide different functions; and full-ensum devices.

and full-custom devices, which involve a more

Which introduced the control of circuits that can be fused to silicon. Costs are relatively high and this type of circuit is normally used only in

products turned out in low

Costs include a one-off service charge, which can be anything from nothing to several tens of thousands of pounds, depending on the type and com-plexity of the chip. On top of this are extra charges for each circuit that is produced. The cost per chip is normally between 25 and 215.

remains one of the world's leaders. Indeed, unusually in these days of Japanese domina tion, one UK company—Rank Cintel—claims between 60 to 70 per cent of the world market for one particular piece of film industry equipment, the telecine machine. Rank Cintel's business has been fuelled by the video boom, which has required tens of thousands of films to be trans-

> equipment. Where once a tele-cine machine was little more than a film projector with a television camera pointing into the lens, it is now a sophisti-cated piece of high-technology equipment. During the film-to-tape transfer it is able to make colour and framing adjust-ments, eliminate the visibility of scretches on the film and of scratches on the film, and even stretch or compress the running time by as much as 25 per cent without changing speed of subject movement The sound track can be similarly processed without changing the pitch of sound. These

Films).
In the craft and technology

areas of film production, Britain, together with the US,

## Why a big production needs to be made of British expertise

LAST NIGHT the eyes of the distributor who wants to put a world's media were on Holly-100 minute feature film on to a wood where this year's Oscars 90 minute cassette. were awarded. There were, how-Rank Cintel's only rivals in ever, few nominations for ever, few nominations for British creative achievements that would justify Colin Welland's famous cry—when collecting an Oscar for Charlots of Fire—"The British are coming." Despite the current suphoria about rising cinema artendances in the UK, the industry would seem to have little else to celebrate—with film production in the doldrums and the major studies almost empty. this field are Bosch of Germany, and Marconi of the UK. Rank estimates that world demand for telecine equipment is between 80 to 100 units a year, with machines costing up to £250,000 each.

Rank Cintel is part of the diversified Rank Organisation— but even so it is adding other product lines to lessen depen-dence on telecine technology, which currently accounts for two-thirds of its business. Apart from related television equip-ment—such as Slidefile, which provides television news rooms empty.

But there is good news on the technical front. With great consistency, Britain collects consistency. Britain collects numerous craft and technical awards at the Hollywood caremony—and this year's nominations include mentions for camerawork, visual effects, sound-effects and make-up. Three technical achievement awards for Britain were announced ahead of the Oscars some weeks ago. They were for a cinematographer's computer with electronic storage and instant access to still pictures— Cintel is now moving into

FILM AND **VIDEO** by John Chitlock

microform, document storage systems based on video retrieval

a cinematographer's computer program (David Samuelson and W. B. Pollard), flicker free dis-charge lamps (Lee Electric) and an aerial image optical system (Oxford Scientific chniques. Concern about limited opportunities in the feature film busi-ness has also forced another major British name in the industry—the Samuelson Group— to extend its traditional business boundaries. In the 1980s and 1970s, Samuelson dominated and 1970s, Samuelson communication the business of servicing feature film production around the world—providing rental cameras, lighting equipment and an extraordinary range of innovative systems to make the technician's job easier or the

end result better. However, with the erratic state of the industry, and fierce ferred to videotape via telecine competition from another British group—the fast-moving Lee International—Samuelson has spread into other, new and

The good news is selling technology

experienced freelance camera operator who last week had one day's shooting for a TV commer-cial—only his fourth day of work this year.

The pressure to diversity in a business based excessively on

equipment rental is evident in the Samuelson raige of camera the Samuelson raise of camera lenses needed to stisty choosey customers—for 15 mm. film cameras alone, the company currently earries 27 different types in 54 focal lengths, plus a further 27 types of soon lens. The facilities of Lee International are focused more in the traditional moting pinture business. But the inapplathealth of the company twest much to television work, especially for the IBC, Lee's acquisition of one of Britain's flagship film studies, a Shepperton, has shown faith in the ton, has shown faith in the future of film production in the future of film production in the UK-with some justification, because studios such as Pinewood, Elstree and Shupperton have regularly attracted major productions from shread, All but one of the James, Bond series of films were that at Pinewood and other but office successes such as Supervious and Raiders of the Loss Ask used British studios.

Currently, however, Shepperton has only one feature production being filmed in its

ton has only one feature production being filmed in its studios—plus four consenercials and a TV inort to spread between fan stiges that demand rentals from £1,000 to over £7,000 per wek. The story is much the samt at most other British studios, although Elistree is faring somewhat better

For the nation that pioneered photography; and television, and was deeply involved in the development; of cinematography, this lack of films in production presents a dilemma. Britain no longer manufactures movie and TV cameras and, a handful of companies excepted, its repitation in the industry is now based almost exclusively on services—technihas spread into other, new and expanding areas of the media business. It has subsidiary companies servicing anything from teleconferencing to corporate video, concert production facilities to television technical consultancy.

The anxieties which currently plague the technical and craft side of Britain's film business are expressed poignantly by sydney Samuelson, group chairman. He tells of one highly industry is now based almost exclusively on services—technical, creative or administrative.

With an upsured in the use of moving picture distribution systems ready to suck every available foot of film into its vortex, that may no be a had thing. But with the udigenous production industry in a new passed almost exclusively on services—technical, creative or administrative.

The anxieties which currently plague the technical consultancy.

The anxieties which currently plague the technical consultancy.

The anxieties which currently plague the technical consultancy.

## Star turn in Mazda's line-up

BY JOHN GRIFFITHS

JAPANESE car producer Mazda is to make a fourwheel steering system available before the middle of this year. It will be offered on selected models in a new range of medium-sized cars. The electronically-controlled system turns the rear wheels in the same direction as the front ones at speeds over 22 mph. At lower speeds the rear wheels turn in the opposite direction.

Mazda claims that, at higher speeds, steering response is faster and more accurate, with improved straight-line

stability. At low speeds, a reduced turning circle is said to make it easier for the driver to park.

It is also claimed to be fail-

safe, in that if a maifunction develops, the rear steering rack will automatically lock in the straight-ahead position. The cars are to be introduced first on the Japanese domestic market. They are not expected to be launched in the UK until the end of this year at the earliest.

Marda has yet to provide
any indication of the likely
price premium for the system. Honda is also to demonstrate a four-wheel steering system next week, at its 360acre former airfield site at Swindon, in the UK. This currently houses a test track and preparation centre for the Legend and Ballade models produced for the Japanese

company by Austin Rover. Prof Ulrich Seiffert, head of research at Volkswagen, last week criticised four-wheel steering as offering no real benefit for the costs involved. Audi had developed, and dis-carded, such a system 10 years age, he said.

Mazda four-wheel steering: At low speeds the wheels turn

in opposite directions, giving a reduced turning circle and making it easier to park in tight spaces

# A Trading Nation that is Open for Business

eeping up-to-date with the latest products and services Available from other countries isn't always easy. That's why the Canadian government maintains a team of trade and commercial officers here in Britain.

These officers specialize in the major sectors of Canadian industry. They know Canadian products, who produces them, and how to contact the suppliers.

They provide access to Canadian services, technology and expertise in such traditional Canadian industries as pulp and paper, timber and plywood; agriculture, processed foods; metals, minerals and energy; as well as the exciting new areas of electronics, video technology, aerospace and computers.

They can also provide information on direct investment in Canada, joint ventures, licensing agreements and entrepreneurial immigration.

For the complete story, talk to our people in Britain.

London Commercial Division, Canadian High Commi One Grosvenor Square London, WIX OAB Telephone: (01) 629-9492 Answerback: 261592 CDALDN G

London Tourism Program, Canada House, Answerback: 261592 CDALDN G Glasgow Canadian Trade Office, Ashley House, 195 West George Street, Glasgow, G2 2HS ie: (041) 248-3026 Answerback: CDAGLW G

# One of the world's most successful oil, steel and minerals companies records another strong quarterly profit.

On 27 March, BHP announced its results for the third quarter ended 28 February 1987.

● Sales: A\$2.1 billion.

Profit: A\$209.7 million. Dividend declared: Half Year dividend of

20 cents per share. Bonus Issue: A 1 for 5 bonus issue; will not qualify for May dividend.

This performance, excellent in itself, is all the more remarkable in the face of depressed world prices for natural resources.

Over many years, BHP has built up a portfolio of high quality resources - oil, coal, iron ore and other minerals - which we can bring to world markets at very competitive prices. The resulting strong financial base, combined with BHP's far-sighted management, gives BHP a significant role in the resource markets of the Pacific.

With continued re-investment in the modernisation of the steel industry, improving oil prices and cost-efficient minerals operations, BHP continues to be one of the world's most successful and profitable resource companies.

To better serve its customers' needs and to ensure efficiencies and growth potential, BHP

recently merged BHP Minerals and Utah International into a single business unit. BHP-Utah Minerals International.

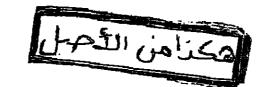
Gold interests are being floated into a new company, BHP Gold Mines Limited and oil operations worldwide were combined in BHP Petroleum International.

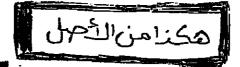
THIRD QUARTER Results in Brief (Dec. 1986-Feb. 1987)

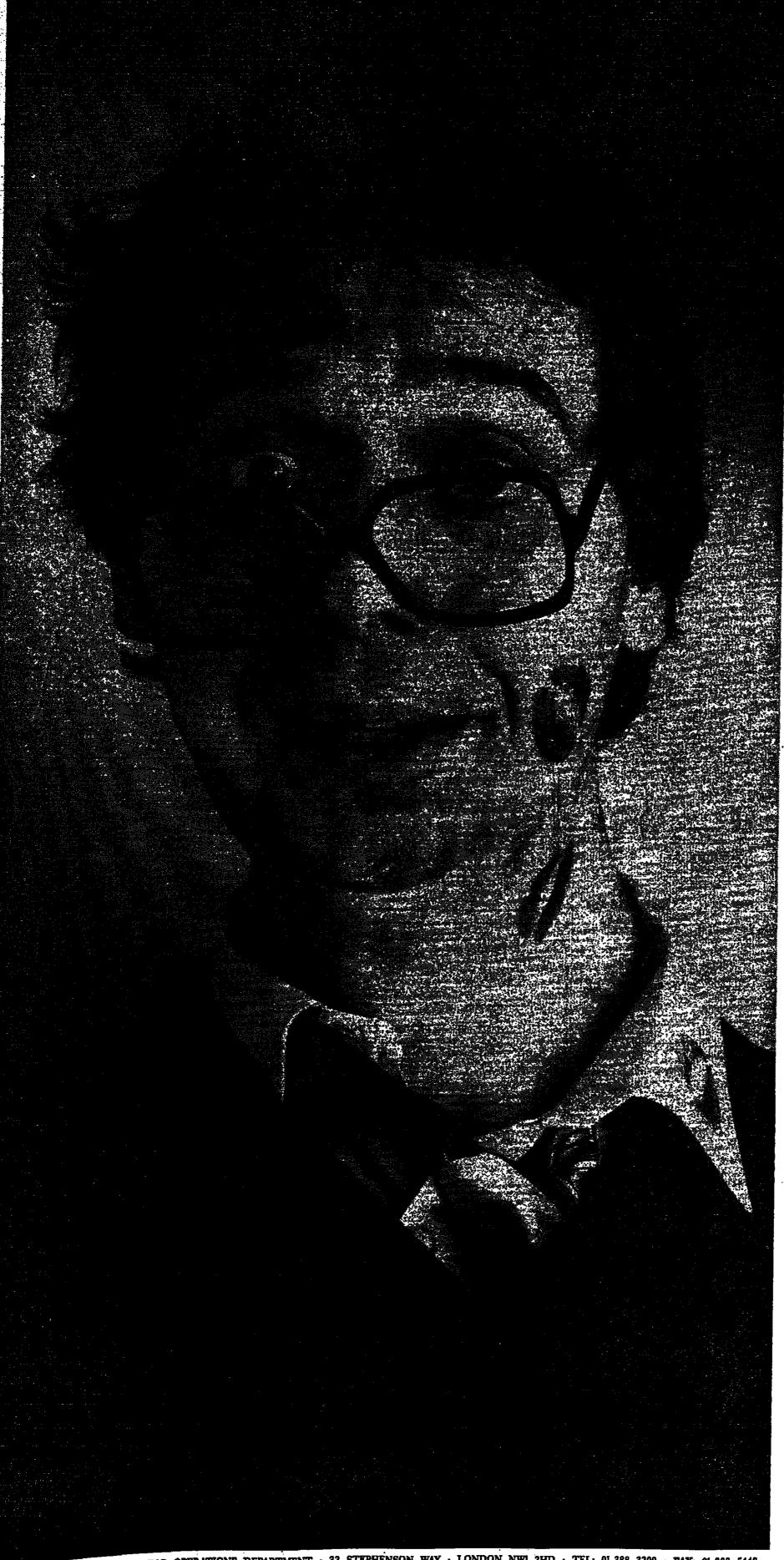
	Sales \$m	Net Profit \$m	Earnings per St	10
BHP GROUP	2115	209.7	16.2	1
Petroleum	446	98.8	Note: Sales revenues en	a de
Minerals	697	95.7	profits do not add to the Group figures due to into Group transactions and	- 1
Steel	925	27.0	Corporate (terns.	1

For further information: Investor Relations Dept. BHP, 33 Cavendish Square, London W1M 9HF



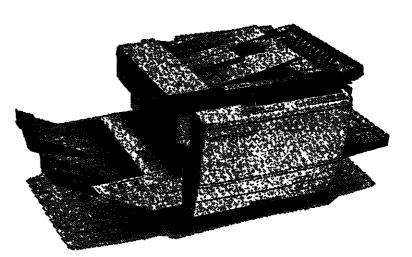






RICOH UK LTD · MARKETING OPERATIONS DEPARTMENT · 32 STEPHENSON WAY · LONDON NWI 2HD · TEL: 01-388 3200 · FAX: 01-388 5448

# Guess who ordered the Ricoh copier.



Ricoh may not be a familiar name to you at present. But order a copier or any Ricoh office equipment and one other word will soon also become extremely familiar.

"Thanks."

"Thanks" from the boss for improving the overall efficiency of the company.

"Thanks" from the financial director for slashing the service bill.

"Thanks" from the executives who now seldom hear the dreaded words "the copier's broken."

And an extra special "thanks" from the secretaries who always used to get blamed for it, and whose life in the office is now so much easier.

For over 50 years, Ricoh have been designing office equipment from one simple, enlightened point of view.

By putting ourselves in the other person's place.

And that's you, the operator. You, the financial director. You, the executive. And, of course, you the buyer.

And thus, what you want is designed into every piece of our equipment.

Ease of use, the latest labour saving technology, dedicated service and above all, standards of quality and reliability which are unsurpassed.

Thus, Ricoh has become synonymous with the word dependable.

It is this philosophy which has seen Ricoh grow into a company successful in more than 130 countries.

And as a final proof, become market leader in copiers in Japan,\* where it is rumoured, they know a thing or two about business.

\*Nihon Keizai Shimbun (Japan Economic Daily)

RIGOM

teenagers, Jane Cuthbertson, Lorie Hay and Marianne Shevills, at dirst wanted to set up a small company designing and making clothes. In the end they decided that because of their other commitments it made more sense to stick to clothing repairs and alterations.

In the seven months it has been going, Cheap Stitch, the name they chose for their venture, has prospered. By undercutting the competition and providing a fast and efficient service the three girls have built up a loyal clientele.

There are limits to growth, however. The work has to be fitted in between homework in the evenings, the promotional effort is limited to cyclostyled sheets on the school notice boards and at the end of the summer term they will probably have to wind up the company.

Despite these constraints, the three six-formers are enthusiastic about the experience of running their own business and 17-year-old Lorie wants to set up a dress-making company for real when she leaves school. "I couldn't work for anyone else," she says. "I would feel I wasn't getting the full value for

my work and that I wasn't being appreciated." The three girls and five other groups of pupils at Rutherford Comprehensive in the West End of Newcastle are part of a nationwide attempt to inject enterprise into the school curri-culum and create more self-

reliant young adults.

In fact, so eagerly have government, educationalists and industry taken to the idea of enterprise that the schemes are proliferating at a bewildering rate. From being regarded as something hostile to the purity of the educational ideal, business has in the past few years come to be seen as an important part of the education process.

The ideas which have been developed in Britain are attracting increasing attention abroad product is to be enterprising, from countries as diverse as Canada, South Africa, Italy, West Germany and Nigeria.

"In terms of developing At Hetton School the entermination of the second secon

enterprise learning systematically across the school curriculum, Britain is probably in the lead," claims Allan Gibb,

is just one element in a programme which also includes community projects and adventure training. But it is, in the sions such as Valentine's Day view of many of those involved, the area which has most rele
Kara estimates that the com-

In business at school

## A lesson in enterprise

By Charles Batchelor



Partners in business: Lorie May, teacher Kathy Henderson, Jane Cuthbertson and Marianne Shevills

running a small business as a vehicle to develop social and life skills," says Cliff Johnson, life skills," says Cliff Johnson, who heads a programme for training teachers to run enterprise programmes at Durham University Business School.

"It has to be like that other-wise the teachers would not wear it. But in addition it gives the pupils, and the teachers, a degree of economic literacy. In some kids we might fire the imagination to start their own business when they are in their 30s or 40s. But we don't aim to produce mini-capitalists."

"The idea is to educate through enterprise and not for enterprise," notes Peter Howey, a teacher at Hetton School, near Sunderland. "The end product is to be enterprising, not to set up in business at 16.

prise programme has helped create three pupil-run businesses, growing plants, making cakes and Easter eggs and

director of Durham University
Business School's small business
centre.

Not that small business is
synonymous with enterprise. It
is just one alement in a new
director of Durham University
designing posters.

Kara Blake and 14 other
fourth-years set up Planto to
grow potted plants for sale or
sign into a delivery cordiversified into a delivery ser-vice supplying carnations and a hand-written message for occa-sions such as Valentine's Day

the area which has most relevance to teenagers faced with a difficult jobs market and the need to earn a living.

"We use the experience of the confidence. "It brings you out,"

she says. "Before you wouldn't project. The last two sessions of the training course for teachers Durham University Business

School has been one of the most enthusiastic in its development of enterprise programmes. Gibb is a firm supporter of an idea he believes can reduce the high level of unemployment in the north-east and counter the region's dependence on factories controlled from far-away boardrooms. With the backing of BSC Industries, which was keen to create jobs in areas where steel

plants had shut down, and of National Westminster Bank the business school devised enter prise programmes for schools; last year it went on to develop courses to train teachers for enterprise learning.

The training courses involved 64 teachers from 50 north-east schools last year but with the help of a £100,000 grant from National Inc. NatWest it is to be extended to the 400 schools in the region over the next two years.

The whole enterprise pro-

gramme is based on teaching by experience rather than theory. The teachers attend a six-day course, spread over three sessions and several months, to discuss what they understand by enterprise, talk to school-children who have taken part in the programme and then go an to devise a parient of their on to devise a project of their

They take their ideas back to their schools and pass on to their own pupils what they have their own pupils what they have the curricular skills of the learned about setting up a teacher with the practical skills small company or a community of the businessman."

the training course for teachers are spent evaluating progress. The Durham teacher-training programme is also backed by the Manpower Services Commission and the Department of mission and the Department of Trade and Industry and forms part of the MSCs nationwide programme, the Technical and Vocational Education Initiative. TVEI is intended to make learning a more active, practical experience. Pilot projects have been carried out in 95 areas over the past four years but it is due to be extended across the country over the next few

But the idea of using the world of business to broaden pupils' experience has been pupils' around for much longer than the Durham programme.

Young Enterprise, a privately funded educational charity with additional government backing, has been helping school children run their own businesses for nearly a quarter of a century. This year it has about 21,000 15- to 19-year-olds running more than 1,100 Teachers are concerned

with the development of per-sonal rather than vocational skills," says Derek Jackson, director general of Young Enterprise. "Teachers can ignore the basic points about the creation of profit and wealth. We want to combine There is no doubt that this approach produces some very successful pupil - managed

UPEK, a company set up by 20 pupils from Duston Upper School in Northampton to make desk and wall clocks, sold more than 700 and made a gross profit of £1,156 in the seven months in which it traded in 1985 28

The company raised an initial capital of nearly £99 by selling 395 25p shares to pupils and friends. This paid for supplies of stainless steel, quartz move-ments and clock hands. UPEX carried out the cutting, shaping and engraving of the clock faces at a nearby factory of the Express Lift Company, a GEC

Before going into voluntary liquidation the directors and workforce of UPEX grappled successfully with problems of researching the market, promoting their products and over-coming substandard deliveries from a subcontractor and the bankruptcy of their packaging

approach is not without its critics, who argue that it is too narrowly focused on business enterprise and that the companies which are set up display the attributes of a large company writ small—with large numbers of specialised managers and share capital funding-rather than those of a small

"The aim is not to make them self-employed," counters Jackson. "We want to enhance their career prospects. Young Enterprise companies all have real products, real markets and produce real results. We enable young people to turn theory into

But teachers must be trained to give the right amount of help without stifling the pupils' initiative. The girls at Cheap Stitch chose their own area of business but say they would have welcomed more advice on how to run the company. The younger team at Planto was happy to use an idea put to it by the biology master.

Despite such problems the success of in-school enterprise programmes has prompted the principle to be adapted to schemes for the unemployed. The Youth Training Scheme, a two-year scheme for 16 and 17year-old school leavers, is to be given an injection of enterprise in the shape of the Entrain project.

Entrain, which has both private and public-sector backing, is currently being introduced around the country. Its aim is to help participants to carry out a community, business or adventure-oriented enterprise project.

#### Getting to grips with a debt problem

LATE PAYMENT of debts by the customers of small busi-nesses has been highlighted as a major problem for them in recent months.

On May 8 a bill put forward by Allan Stewart, Conservative MP for Eastwood, Glasgow, aimed at making life tougher for the had payer, will be given its second reading. It seeks to allow creditors to take had payers to court for interest payments as well as the amount owing and to move court actions from the High Court to the cheaper County Courts.

But for many small businesses the problem is self-in-flicted, argues John Mirans, marketing director of PERT International, a consultancy. Often the small company supplier does not make his terms of trade clear in advance, does not check the credit-worthiness of the customer and does not have an efficient system to monitor and collect debts.

More than £25bn of trading debt is overdue at any time in

the UK and the average credit period for medium and large companies is 58 days compared with just 39 in West Germany and 44 in the US. Small com-panies tend to have even longer credit periods.

Fifty-eight credit days repre sents just under 16 per cent of turnover and taking interest at around 13 per cent plus administrative expenses could cost industry 3.5 per cent of turn-

over.
British companies frequently compound the problem mistakes and delays in their own procedures which give the rustomer reasons for delaying payment In one case 40 per cent of a

company's invoices contained errors. Ninety per cent of companies still use statements presenting information in the wrong way while one in seven companies has no published terms of payment or conditions of sale, or has terms that are not appropriate to its business. Legislation to make it easier or companies to recover debta will provide some relief but if a dispute comes to court the interest charges will already have been incurred and the customer almost certainly lost. says Mirams.

## Increased funding sought for cross-border projects

THE BACKERS of Venture bring the total equity invest-consort, the KEC scheme to ment to Ecu 38.3m. The companies capital funding in high technology companies, are continuing to lobby for an increase in the project's budget

in the project's budget.
The European Venture Capital
Association, which vets applications for Venture Consort funds, says it has seven applications for subsidy on its books including two requests for second-round financing from companies t has already helped.

Robert Ceurvorst, the association's secretary-general, hopes the EEC will provide Ecu 8.5m (£2.47m) this time round, a modest increase on the Ecu 3.3m made available last year. Last year's funding was provided out-side the formal EEC budget but the scheme has been brought within the budget this time around. Cenrvorst hopes for a decision by the end of April.

In a recent review of the first 18 months of the scheme the European Commission de-clared it had been an outstanding success in encouraging cross-border syndication between European venture capi-tal companies. Despite this, some member states have apparently expressed misgly-

The Ecu 3.3m of funds went to a total of 18 companies and encouraged venture capital funds to put in more money to

people.
All of the aid went to new companies with 11 having been set up in 1983 and four being set up in 1983 and four being the companies later than the companies with the companies when the companies with start-up companies less than a year old. Average turnover was Ecu 5.5m and the most common sectors of activity are computers, biotechnology and industrial products.

Four of the cross-border syndicates were headed by British venture capital groups while two each came from France, the Irish Republic and West Germany. Some of the companies were backed by funds from up to four countries though most found backers in

two different countries.

The aim of the scheme is to provide the companies with financial backers in more than one country so that they can call upon them for information on local markets, thereby breaking down national barriers to

Up to now Venture Consort has set a maximum of the 200,000 on individual investments. But as innovative companies are now requiring larger amounts of money the association is considering in creasing the maximum to Ecu 400,000.

C.B.

115AU.

5:45 6

ermi Bana

Liberaries Equipment

The selection of the se

٠٠. ٠

## **## \$1** 

TAX

TEXTIL

- F

MEET PROCESS:

The state of the s

MICH FREE

STATE OF CONTRA

Pall Lit Niets

and P.

#### In brief ...

SHELL UK is expanding its SHELL UK is expanding its Shell Technology Enterprise. Programme (STEP), which places science, engineering, design and business studies students with small and medium sized companies for which tracks for the companies. eight weeks in the summer vecation. At least 50 students from northern universities and polytechnics will be taken on this year compared with just 20 in last year's pilet

The aim of the scheme is to give the students work experi-ence and increase their awareness of the opportunities offered by small firms. It also gives the owners of small businesses, who tend to neglect graduates as potential recruits, the chance to see the contribution they can make. Firms and students will be selected by the Development agencies in Cleveland, Liverpool, Manchester, Nelson and Newcastle-upon-Tyne and by northern colleges. Placements

will begin in July. Durhum University Business School will co-ordinate the pro-

Contact the development agencies Shell UK, Shell-Mex House, Strand, London WC2R ODX or Durham University Business School, Mill Hill Lene, Durham DHI 3LB.

of all transport-related small businesses in Greater London. The businesses range from bleycle repairs to rail freight and lorry weighing to bus ticket manufacturers. The aim is to find busin

interested in new technology and to put potential partners in touch with each other. This should lead to new ideas getting into preduction more quickly and thereby creating or maintaining employment. Contact Ian Bamford,

TRANSNET, 16 Warren Lane Woolwich, London SE18 6EW. (Tel 61-316 5959.)

## Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

#### LONDON FUNDING & MANAGEMENT plc

We arrange finance and investment capital for UK and overseas clients in the following

Corporate and Asset Finance Working capital and funds for growth.

Asset acquisition and refinancing. Management buy-outs. Project and Development

Commercial and Adricultural projects. Property and Land



If you would like further information pleas London Funding & Management pic 140 Park Lane London W1Y 3AA Tel: 01-408 1424 Teles: 269215 (LNFUND G)

#### **COMPUTER & SOFTWARE** CONSULTANCY

A West London IBM PC supplier who mainly designs and implements DSS, MIS and Financial Accounting systems (Est 1985) seeks an association with a medium sized firm of Chartered Accountants an association with a medium sized firm of Chartered Accountants or similar wishing to expand into computer consultancy, accounting software (TETRA & FACTS), and programming on the new IBM 6150 multiuser machine as well as all aspects of IBM PCs and minicomputers including networking and communications. An intal equity position would be offered with the possibility of increasing the interest at a later stage as part of an ambitious expansion plan. The capacity to introduce clients requiring programming and related consultancy services, however, is more important than funding.

For further information please write to Box F7270 Financial Times, 10 Cannon Street, London EC4P 48Y

#### BUSINESS FINANCE £50,000-£500.000

able for companies sacking capital for Expansion. Acquisition or Turnaround. Entrepreneurial support available to assist in growth. Contact Giles Blair or Mark Masson on 01-404.5620 or write to METROGROUP

7 Southampton Place London WC1A 2DR

#### U.S.A.

US-BASED COMPANY INVOLVED IN TECHNOLOGICAL INNOVATION PRINCIPALLY IN THE MEDICAL COMPUTER & INDUSTRIAL FIELDS to discuss the development and promotion of products the US. Principal visiting London in early April Send relevant information plus contact details to: Andrew Dudzinski, c/o 2 Park Hill, Ealing, London WS 2JR

#### **Business expansion** capital required?

industry as well as both corpor and private investors will be watching a lot more relevision Because May sees the launch of Business and Investment

Television - Britain's first video magazine for the investment market. If your company is seeking venture capital, and the project is sound, you may be one of the lucky few to have your company fe the BLT.V. programmes. Just write or telephone and B.LT.V. will send you a comprehensive information pack which tells you how toapply to get your company in the picture.

RITAIN'S FIRST VIDEO MAGAZINE FOR THE CORPORATE AND PRIVATE INVESTOR. **BUSINESS & INVESTMENT TELEVISION Lat.** 

137/143 High Street, Sutton, Surrey. Tel: 01-642 8224. Telex: 8812391 Chaocs. Fax: 01-643 3938.

#### OPPORTUNITIES IN UK ELECTRONICS

Ambitious selling and manufacturing company is looking for opportunities to grow tester by adding products to list range through co-operation (as selling agent; manufacturer under licence), or by joint ventures or

Sales coverage is firmughout the British laje to Information Technology, Process Control, Instrumentation, Telecommunications, Communications, Detence and Aerospace CEM's, Microcomputer Distributors, Dealers and Value Added Resellers and Corporate Microcomputer Users, This could be a good opportunity for a Company whose products have sales potential but which has difficulty to exploiting it fully without high investment in marketing and administration costs.

Replies from Interested parties, in the strictest confidence, should be addressed to: John Chestney, Neville Russell, charlered accountants, 246 Sishopsgate, LONCON ECON 4P8 Looking for new markets for your health care products..?

The way to the Scandinavian and European Health Care markets See us in Singapore at the Westin Stamford, Room Bonham.



Unic Care Corporation Hoesholm Midipunid 77, P.O. 171 DK-2970 Hoersholm, Denmark Phone: +45 2 86 43 13 Telekor +45 2 24 27 28 Telex: 41110 swoe.

#### WE OFFER ONLY BEST PRODUCTS FROM JAPAN We are constantly evaluating and acquring new products from Japan

Optical components and measuring devices/graphic controller/Lan controller/Fax & phone switcher/Digital plotters/Video controller/Color scanner (OEM)/Thermography/Various recorders/ICE & Debuggers/Hard disk excersizer/FFT Analizers (OEM)/PAL writers- All available for Europe. Many other items are being added to our list.

#### Please contact us by specifying your interests with information on your

TECHNOTRADE D Bidg., 1-10-3, Minami-aoyama, Minato-ku, Tokyo 107 Telex: 2423918 Fax: 03-479-1255

#### Applications are invited from mature business orientated individuals interested in, but not necessarily with previous experience of, the entertainment business.

Profit estimates for both short and medium term make this an exciting opportunity with the potential of substantial capital gain in the longer term.
Involvement and time commitment will be tailored to meet

NON EXECUTIVE DIRECTOR

INVESTMENT £25,000

UK based private company operating in the entertainments industry has projects under development in various overseas

individual requirements.

Please reply to Box F7275, Financial Times 10 Cannon Street, London EC4P 4BY

#### INJECTION MOULDING

EXTRA CAPACITY AVAILABLE FOR QUALITY INJECTION MOULDINGS
Our specialities are:
Long Runs - Storage Facilities
Comprehensive range of 25 DEMAG Mechines - Competitive Prices
Excellent Hygienic Conditions - Immediate Aveilability
In-house Tool Maintenance - Substantial Extra Capacity Available Reply to Box F7265, Financial Times 10 Cannon Street, London EC4P 4BY

#### AN INTERNATIONAL COMPANY

SERCS TO EXTEND ITS ACTIVITIES WITHIN THE UK
seek to form a business association. The company/a with advance tronics based products with good market potential not necessar ume related. Adequate capital is available for funding and internation feeting expertise is guaranteed. A range of our own high-tech producted be used to expend your own market areas.

Principals only reply to Box F7263
Financial Times, 10 Cannon Street, London EC4P 4BY

#### MANUFACTURERS WANTED

Well established Design Group with fully developed products and full order book, seeks sub-contract manufacturers with experience and spare capacity for volume manufacture of electromechanical and electronic goods. Must be prepared to invest in tooling and manufacturing start-up costs where necessary. Reply to Box F7252, Financial Times

10 Cennon Street, London EC4P 48Y

#### **OPENCAST COAL MINING COMPANY**

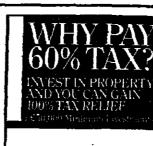
INTERESTED IN OBTAINING EXISTING OR PROPOSED OPENCAST SITES AT ADVANCED STAGE OF PLANNING OR COMPANIES TRADING IN OPENCAST MINING Replies in confidence to Box F7281 Financial Times, 10 Cannon Street, London EC4P 4BY



INDIGO DYE PLANT

Capable of producing 30,000 lbs of yam per week using 3 people. Can be utilized to dye knitting yama. Offers from principals only to: Write Box F7273, Financial Times 10 Cannon St., London EC4P 4BY

ROPE SYSTEM



CONTRACT JOHN PIPER OR SCHOOL POOKS BRIGHOUSE TAXINVEST DEVELOPMENTS LIMITED Telephone: 01-486 7544

FINANCE YOUR STOCK We offer a unique stock finar facility to manufacturers an morchants and are seeking t facility to manufacturers and marchents and are seeking to expand our client base if you require stock finence please apply in writing to:

Charchill Merchanting Ltd. 136 Buchingham raison fload London SWTW 93A

Tel: 01-730 8428

#### MORTGAGES On Commercial, Residential and Industrial Properties at Prime Rates S/10 years INTEREST ONLY

Minimum Loan £250,000
HIRSCH
Europe's Leading
Financial Consultants
Yeare address anothers se eddress enquiries to: HIRSCH INT

(FINANCIAL SERVICES) LTD

LOW RISK/HIGH RETURN YENTURE CAPITAL **14% EQUITY IN EX-RESEARCH** COMPANY AVAILABLE

COMPANY AVALARIE

Four selected projects now being commercialised as joint ventures with "blue chip" company participation. High volume/high toch consumable products developed from basis of projected seles.

Sudgeted annual sales 1988 ES million - 1980 ES million - 1990 ES million Budgeted nett profit before tax 27%

PRICE: Elm for 24% EQUITY Reply to contact address: 44 Hamilton Rd, London SW18 1.F.

**HELP YOU?** We are a small sales/marketing team, based in the Reading area, with outlets throughout the U.K. DO YOU HAVE A PRODUCT WHICH WE CAN SELL? Write Box F7271, Financial Times 10 Cannon St. London ECAP 48Y

CAN WE

KEEP YOUR COMPANY SECRETS . . . SECRET C.A.Z. Let are leading suppliers of professional quality surveillance and counter-surveillance equipment. Recording briefcases, electronic detectors, etc Worldwide service, same day despatch CAZ, LTD 39 Star Street London W2 1QB Tel: 01-258 3771

Private Company possessing important Art Collection independently valued at £1m, but illiquid of cash, requires cash partner for further de-velopment. relopment. Principals only write to: Box F7255, Financial Times 10 Cannon St. London ECAP 48Y

TEXTILE PROMOTIONS CO. Seeks expansion by arrangement with another successful organization, possibly P.L.C. to double our existing profitable CI million T/O Replies from principals only to: Box F7258. Financial Times to Cannon St. London ECAP 4BY

MARED MAYFAIR OFFICE, mall, phone, telex, W.P., fax, from \$48 a month. 01-493-1332.

TRANSNET, the London Transport Technology Net-work is carrying out a survey

## UK COMPANY Specialising in Design, Development and Manufacture of Telemetry, Communication and Control Systems, would like to establish contact with USA

Company wishing to develop business by adding to range or expanding into Europe.
Contact telephone:
UK 9328 61181/Mrs J. Wetton
Fax: UK 9328 68776

Representative in USA now 20% PLUS

#### HIGH SECURED RETURNS

London banker has a cor substantial flow of high return fully secured lending business. Dis-cussions are invited with persons and corporations who may be in a position to provide funds to ser these high secured returns, Write Box F7272, Financial Times 10 Cannon St, London EC4P 48Y

#### PROPERTY FINANCE

£100 MILLION AVAILABLE 109% p.a. (FIXED) Secured on good quality comme and industrial properties for in-ment of owner occupation. Minir losn £250,000. No endowment pension policies required.

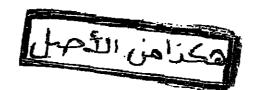
Seymour Adelaide & Co Ltd
Allington House
Allington House, 138/142 Victoria St
London SWIE SLD Tel: 01-828 5282 EXPANSION FINANCE FOR GROWING COMPANIES

GROWING COMPANIES
Barry Edwards & Associates is an independent team of experts who especialise in helping companies raise finance for expension and development. Our expension and development. Our expension in the supported by a integrated pleaning sarvice that includes: Corporets Finance that includes that includes that includes the corporets Finance that includes that includes the corporets for LEASING COMPANIE REQUIRED FOR ACQUISITION

Variety for more properties to the control of the skipling leading and not operations by acquisition mature leasing/instalment.

Credit portfolios. Please contact:
The Leasing Director
CMRCHILL FINANCIAL
SERVICES LIMITED
Churchill House
36 Buckingham Palace Read
London SWIW SSA
Telephone: 01-728 E204

EXPORTING TO THE USA AKS Fulfillment Services offers a and fulfillment struce in New York and wholesale business. For further ormation places write to: Asks Fulfillment Services Inc. C/o 20 Hampetned, London N6 488



## Business Opportunities

URGENTLY REQUIRED Public company, trading internationally, is looking to buy overstocks, siscominuand products, redundant stocks of top quality gift and commercial stationery, gifts, toys, hard-stree, tolletries etc. We can offer you instant decisions, payment and protection of brand names. Contect: A Courad & | Farber on 081-868 0071

Telest: \$55524 Ferber on 081-868 0071

31 1387 Parks

ought

ojects

Control of the contro

Table of the second

Man age of the second of the s

Latin term

70 Y 7520 17

Stier gerring

Color to the Thing

Park Land

28 g 10 to to

S View

· -. 20

1 3 12

. · • • •

 $a_{(k)} = \{a_{(k)}\}_{k \in \mathbb{N}}$ 

grand the factor

FRANCE

فكدين

. . . . . .

SER TORK

2 2 mx

-1-

34.7

2 ° 7

10% SHAREHOLDING available in expanding LICENSED DEALER Litterised Dealer
Suitable for party that can
introduce business
Write Box F7267 Financial Times, 10 Cannon St London EC4P 4BY

CAPITAL AVAILABLE Investor seeks instrumentaelectrical mechanical measuring devices or similar measuring devices or similar manufacturing company in which to take active interest. Write Box F7264
Financial Times, 10 Connon St London EC4P 4BY

SPECIALET JOURNAL
FOR SALE
of particular interest to publishers,
international financial institutions,
advertising sales companies, larger
management consultants. Strong
cars multinational corporate subscribers. 3 years old with excellent
potential. Principals only reply to:
Box F7257, Financial Times
10 Cannon St. London EC4P 48Y

NASSAU, BAHAMAS Substantial investor/partner required for spartment development in prime location. Exceptional profit potential Please write to our atterney."
E. Dawson Roberta, Higgs & Co PO Box NB18, Nassau, Schattes Telest; 20108 "Barrister"

uss loans at only 8% p.l \$5m - \$50m. Against Bank Guarantees Contact: CORPORATE FUNDINGS
"Highelere," Markeon Road
Winchester, Hants S021 352
Tel: 082 883157 - Fax: 082 884081
Telex: 477379 WIRSER G

USA MARKETING—Would your product of service be profitable in the US? Highly reliable US marketing consultant with research and follow through, write Sco. 27269, Financial Times, 10. Cannon Street, London A.49 487. AAMUFACTURES OF NAC49 487. AMUFACTURES OF NAC49 487. In accordance of the conference of the Commercial exploitation. Unique apportunity with unique product. Reply to the Chalman, Sox F.7258, Financial Times, 10. Cannon Street, London EC49

TROUBLE SHOOTING CHIEF EXECUTIVE 44 Experienced in start-ups acquisitions and turnerounds seeks position in INTERNATIONAL TRADING mport, Wholesele Distribution import, Wholesale Distribution Write Bax F7276, Financial Times 10 Cannon St. London EC4P 4BY

FINANCE FOR EXPORTS IMPORTS & UK TRADE BACK TO BACK LETTERS OF CREDIT

Suited to your requirements. ELKA FINANCE LTD 8/14 Oreman Rd, London NT EQJ Tel: 01-728 0495 - Tolen: 288609

LOOKING FOR A BUSINESS if you want to buy or back a business Venture Capital Report Sivas details c 450 aspecific opportunities pa For tuit details without obligation contact:

VCR, 20 Balthwin Street Bristol 1 - Tel: (0272) 272250

SELECT SOUTHERN CALIFORNIA
PROPERTIES AVAILABLE
For Sale Or Joint Venture. Choice of residential, office or commercial proresidential, office or commercial proresidential, office or commercial proresidential of the complete or "to be built."
Official parties of the commercial or office of the complete of the commercial or of the commercial or office of the complete of the commercial proprinciple of the complete of the commercial or of the commercial of the complete of the commercial of

MEED A GOOD CHILL EXEC MANAGER?

Confidential executive search and recruitment service to find Directors and Senior Managers.
Tal: 9295 78764
Warwicker Associates List.,
The Court House, Shiford Gowes,
Oxon OXIS SEW.

New Company, South Hants, seeks Marketing Director for patented electronic mointure meter. Breakthrough in grain, fred, coroent, pharmacoutical, oil, ele, adustries. Seeks Marketing Director with £30,000 and interactional experience. Tel: 0703 776182 or reply to: Box F7274, Finencial Times 10 Cannon St, London EC4P 48Y

INTERNATIONAL Mariestina Manager, also with extensive background in largort sourcing and perchesting, as well as overally source of the source

#### **Businesses Wanted**

#### Distribution Services Fully listed PLC currently

involved in supply of Components to maintfacturers
Consumer products to wholesalers and retailers
Equipment to industry and local authorities
Services to industry

Wishes to acquire companies of a similar nature attaining profits between £i million to £i million from private companies seeking to expand their business and public companies wishing to dispose of subsidiaries which may no longer be compatible with their corporate strategy

Principals only please reply to: The Chairman, Box H1835, Financial Times 10 Cannon Street, London ECAP 4BY

SHANI FASHION INDUSTRIES LTD A BLOUSE COMPANY As a well established ladies clothing manufacturer with our own indoor manufacturing facilities, we seek to acquire a blouse company to expand this area of our activities. It is envisaged that the ideal company will already be selling 5,000-10,000 units per week directed towards national chain stores, mail order and export. We would expect to retain existing management to assist in the integration and future ground of this division.

growth of this division.

Please reply in writing to: The Chairman SHANI FASHION INDUSTRIES LTD 40/42 Osnaburgh Street, London NW1 3ND

#### EXPORT TRADING COMPANY

Expending export trading company wishes to acquire a small to medium size loss making company exporting spare parts for motor vehicles, trucks, construction equipment end Existing management and staff can be retained, if appropriate Principals only please raply to Box 11869 Financial Times, 10 Cannon St. Landon EC4P 48Y

#### TAX LOSSES £500 000

Company now trading profitably has agreed the losses of £500,000 in the motel operating and vehicle parking business which will take years to absorb. We wish to "acquire" a profitable business in a similar field in order to accelerate the use of the losses to our mutual benefit. Enquiries will be treated in strictest confidence by professional agents only. Please reply to Box H1839, Financial Times on Street, London EC4P 48Y

#### PUBLIC COMPANY TEXTILE MANUFACTURER

A well known public company seeks to acquire textile known public company seeks to acquire textile with sportswear manufacturing capability. Only from principals will be cousidered. Write to Box H1813, Financial Times 10 Cannon Street, London EC4P 4BY

MEAT PROCESSORS Profitable public company wishes to expand into the Mest Processing Business.

Small to medium size companies required with strong management teams and greats profits up to 12m. Acquisitions required for death to equity or a suitable mix. All replies treated in the strictest confidence.

Business were not confidence Principale please write to: Box H1947, Financial Times 10 Cennon St., London ECAP 489

PR/COMMUNICATIONS CONSULTANCY

Medium/small PR company London or Midlands wanted for acquisition or merger. Write Box M1848 Financial Times 10 Cannon Street London EC4P 4BY

MAJOR FIRM Services, Pension and Benefits
Assurance, Unit Trust Advisory
Involved in Insurance Broking.
Use Consultancy
SEKS ACQUISITIONS
Commission/lee Income between
4250,000 and Sim ps considered
Write Box G10290, Financial Times
10 Cennos St. London EC4P 48Y

MORTH WEST ENGLAND
TRUCK FRANCHISE
spaks to extend its parts range
by acquiring established
PARTS FACTORING BUSINESS
preferably in Greater Menchester/
East Lancashire area
All replies deatt with in existent
confidence to Box HISM
Financial Times, 10 Cannon St
London ECAP 457

Progressive PLC wishes to acquire establish YEHICLE CONTRACT HIRE BUSINESS in North West of England
All replies dealt with in scrietast
confidence to Box H1949
Financial Times
10 Cannon St. Landon ECAP 48Y SERVICE STATIONS WANTED IN LONDON AND

SURROUNDING AREA Write Box H1865, Financial Times 10 Cennon St., London EC4P 4BY

#### **Businesses For Sale**



#### **Retirement International** (Ireland) Limited Retirement Ireland Limited

(In Receivership)

LOCATION: CO. WICKLOW, IRELAND or sale, the business and assets associated with the retirement facilities of the companies situated 28 miles from Dublin at Cloumannon,

Ashford, Co. Wicklow, Ireland. The complex, known as Clomnannon Retirement Village, located on a site of c.25 acres includes Clonmannon House, an original Georgian reisidence constructed c.1780, which houses a Health Board approved 10 room Nursing Home and all care and recreational facilities.

The Village also includes 41 bungalows which have been specifically designed for the needs of retired people.

An experienced staff is also available.

ENOURIES TO:

Rory O'Ferrall, F.C.A., Touche Ross & Co., Adelaide House, 19 · 20 Adelaide Road, Dublin 2, Ireland.

Telephone: Dublin 784833, Telex: 30232 TRCM EI, Fax: Dublin 784029.

#### **△** Touche Ross

Chartered Accountants

Electrical Coil and

St. Ives, Cambridgeshire

Transformer Manufacturer

The Administrator offers for sale as a going concern

a well established transformer manufacturing company, specialising in toroidal transformers. The company operates from leasehold premises of approximately 6,000 sq. ft., located on an industrial site in the expanding Cambridgeshire town of St. Ives, which is easily reached from both the M11

and the Al. Current turnover is approximately

£800,000 per annum and the company employs a workforce of 70.

**Squarearm Limited** 

T/A 'The Prince Harry'

(In administration)

Offers are invited for the above company's assets which comprise principally a freehold public house in Middlesbrough. The property is a substantial three storey building with a total internal area of 6,100

Second Floor Managers' living accommodation and other rooms

For further details contact The Administrator.

Peter Flesher or Scott Barnes at: Grant Thorrston. Leefield House, 116 Cardigan Road, Leerls LS6 3HL. Tel: 0532 744733. Teles: 557362, Par: 0532 744733

Grant Thornton

ERNEST WILSON

THE BUSINESS SPECIALISTS

FAST FOOD BURGER SAR & COFFEE LOUNGE. A BUSINESS WHICH COMES HIGHLY RECOMMENDED! This surely must bold a position TO BE ENVIED — the based and theatre being only a stone's throw away? TOTALLY REPURBISHED lesseshold premises with latest fixings. Open plan takenessy area, bright, siney coffee lounge/arisek bar — terrace to from. Specious 3 bedroom accommodation. Popular illuminated walks close by. Taking £1,000 plus is session. MO EXPENSE SPARED THROUGHOUTI Business offered at £116,000. CSC286

THROUGHOUTI Business offered at £115,000. CSC286
FISH & CHIPS RESTAURANT & TAKEAWAY. This eaviable harboaraids resort structs thousands of tourists every year! All THE FIXTURES/FITTINGS ARE ON HAND FOR FAST EFFICIENT SERVICE. Enjoying takings of £5,000 plus weekly. "OLDE WORLDE" double fronted cutsales area plus Restaurant catering for 140 diversel First theory sating for a further 50 is pleasant extraorusatings. Commercial kitchens etc. Lovely specious first with marins views. LOTS OF POTENTIAL HERE FOR ALL YEAR ROUND TRADE. Premisée on lesse. A TEMPTING BUSINESS AT £86,500 FCC454
FAST FOCO TAKEAWAY. A goldan opportunity is effered for acquiring a REAL MONEY SPINNER! Showing super audited profital Critaring for many tourists and locals — taking £5,100 weekly — MAINLY BY STAFF. Double fronted, sil glass frontego leads to takeaway brea WHICH BOASTS FINE DECOR THROUGHOUT. Senting for 60. Fully equipped preparing stas. Well patreniesed parade CLOSE TO POPULAS NIGHT SPOTS & THE PICTURESQUE HARBOURSIDE. Leaned till 2 am. AN EXCEPTIONAL BUSINESS OFFERED AT £147-50. CSC208

AN EXCEPTIONAL BUSINESS OFFERED AT ENGINEE COLUMN
OWERINGHIT LORRY PARK A wenture with a difference! Boarding approx
3 acre site on outskirts of Manchester — A WELL PATRONISED
CONCERN BRIERLY COMPRISINGS Overnight perking with other facilities offered, aggarage, care, licensed bor, showers, minar bay, disselburkering service — all under lesse/licence. A GROSS ANNUAL
INCOME OF ESSOO IS EASILY ACRUSVED! Transactions opportunities
for hardworking, embryorising proprietor, Further detailed information

"ILLALA Resistance 15% DOS, MARO."

TEL BRADFORD 390486/721580

FOR SALE

LUCRATIVE PLANT HIRE COMPANY

Based in the North Midlands Industrial Area
Specialising in Heavy Earthmoving Plant
Large premium fleet of mainly operated 360° Excavators, Dozers,
Tracked & Tyred Loaders, Dump Trucks and Low Loader etc
Freehold premises on Modern Industrial Estate
Majority of equipment free from finance also, cash reserves
Large regular customer base including major PLCs
Polymonia and dash with January and a major PLCs

Principals only dealt with. Interested parties please reply to: The Company Secretary, Sox H7853, Ficencial Times 10 Cannon St. London EC4P 48Y

working, enterprising propris . Business 195,000. 14460

Spicer and Pegler

& Partners

For further information please contact:

Cambridge CB1 2RN.

Telepbone: 0223 460222

sq. feet, comprising:

Ground Floor Public House First Floor Function Rooms

R T Summerfield, Spicer and Pegler & Partners (Ref 4NJD), Leda House, Station Road,

#### HEAVY STEEL FABRICATION ASSETS FOR SALE AS A UNIT JOHN JACKMAN ENGINEERING LIMITED (IN RECEIVERSHIP)

Modern well equipped workshops designed for heavy steel fabrications, situated on a c.15 acre site close to Wexford town comprising: C. 4400 m² workshops equipped with gantry cranes, paint shop, shot blasting

C:1300 m² administration block. C. 2200 m2 stock yard serviced with Golieth crane.

Main fabrication equipment including:
Press Brake, Shears, Bending Rolls, Milling Machines, Lathes, Profile Cutting,
Submerged Arc and Mig Welding Plants.

Accreditions: A.S.M.E. for the "U" and "S" code symbols. German D.I.N. 18,800 part 7.

A skilled workforce is available locally. All enquiries to: J. W. R. Jackson, F.G.A., OR Stokes Kennedy Crowley & Associates, 1 Stokes Place,

5t. Stephene Green, Dublin 2, Ireland. Tet: 01-757971 Telex: 93409 Fax: 01-735951.

John Reid, A.C.A., John Jackman Engineering Limited, (in Receivership) P.O. Box 27. Ardcaven, Wexford, Ire Tet: 053-23177 Telex: 80671 JOJA El

Fax: 053-24541

#### **BUSINESS FOR SALE**

Family owned timber Company in the North West, The main operating premises will not be included in the sale. The audited financial statements to 31 March 1986

• Tumover approximately £4.5m

 Net assets excluding premises, less than £300,000 The purchase consideration will reflect a small discount on the net asset value. The business would be attractive to another timber business in the North West of England Replies to Stephen R. Collins.

△ Touche Ross Securities

Licensed Dealers in Securities

P.O. Box 500, Abbey House, 74 Mosley Street, Manchester, M60 2AT.

Telephone: 061-228-3456, Fax: 061-228-2021. Telex: 666040 TRMAN G.

#### FOR SALE LONDON INSURANCE BROKERS

Established 20 years, solid and well balanced commercial port-folio. Plus profitable and thriving life and pensions brokerage.
Substantial growth prospects.
Enquiries from public limited
companies in the strictest
contidence to Box H1856
Finencial Times
10 Cannon St, London EC4P 48Y

akey&Co

The only national agents for regneracturing, service and distribution buttoness

# **NURSING & REST HOMES**

TAYLOR NATIONAL

## **Entertainment Products** for the Leisure Industry

**Telecommunication** 

Products.

The Administrative Pieceiver of Telecommunication and Computer Systems Ltd., based at the Bridgend Science Park Mid-Glamorgan, offers for sale the business, production facilities, stocks and intellectual property rights

system for the deaf with OWERTY keyboard and display. BABT approved.

mail product
with CWERTY keyboard and display. BABT approved

with QWERTY keyboard and display. BABT approval stage

\*Ruther details piesse commun.

\*Rudor G. Davies,
Administrative Receiver,
Arthur Young, Southgate House,
Wood Street, Cardiff. Tel: (0222) 390/651.
Telest: 497098. Fax: (0222) 390568.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

relating to:

**Telex Product** 

Paz 01-248 3623.

Vistel' Telecommunication

For turther details please contact:

**Arthur Young** 

Meil-link Electronic

Croydon, Surrey

The Business, Business Assets and goodwill of the Atlas Leisure Group, the largest manufacturer of video jukehones worldwide, together with the associated rental business of Sound and Light, are offered for sale.

The companies operate from modern rented premises in Croydon. The Company employs approx. 40, producing an annual turnover of \$3.5 million.

For further details contact Paul Davis at Atlas House, 59 Imperial Way, Groydon, Surrey, CRO 4RR on 01-681 5931, Pax 01-680 5730, Telex 918915 or the Joint Administrative Receiver, Ian Bond, at Delotte Haskins & Sells, 128 Queen Victoria Street, London ECAP 4JX, on 01-236 6500. Telex 894941.

Deloitte Haskins + Sells

#### CHESHAM. BECAUSE YOU ONLY SELL YOUR BUSINESS ONCE.

Chesham are the leading merger brokers in Britain and have confidential briefs from several hundred public company chairmen, who are looking to buy successful, private companies worth £500,000 to £25m.

If you're thinking of selling your business, contact our Managing Director to arrange a confidential discussion.

CHESHAM / AMALGAMATIONS ( The first name in merger broking.

Audley House, 9 North Andley Street, London, WIY IWK Telephone: 01-629 5917.

#### FOR SALE GROUP OF COMPANIES INVOLVED IN TRANSPORT, DISTRIBUTION **AND WAREHOUSING**

Operating from 7 Locations throughout the UK
Modern Fleet of Tractor Units, Distribution Vehicles & Trailers
Over 200,000 Sq Ft of Warehousing
Excellent customer base at each location including

many blue chip companies

Turnover in excess of £6m per annum

Available as a group or as separate subsidiary companies

Frincipals only deaft with Interested partias please raply to:
heimed, Bax H1862, Financial Times, 10 Cannon St, London ECAP 4BY

and the contract of the contra

#### FOR SALE The following Homes are just a brief example of quality Homes available presently throughout the UK

(A) CLOSE BATH/AVON/M4 MOTORWAY

Res. Home Reg 30, Nursing Home Reg 35, both Homes enjoy high occupancy level, Present income £10,000 + pw. Res. Home has full en suite facilities. Basutiful owners' house included in sale. Excellent value—expansion potential. Adj. net profit £180,000. Sole Agents. NH/RH4463. £1.3 million. Tel: Bournemouth (0202) 293563/245508.

(8) SURREY— CLOSE M25 MOTORWAY

Prestigious Nursing Home, in existing ownership 20 years, offering 36 single bedrooms. T/o £8,000 pw adj. profit £140,000 + very high bricks and mortar value attached to this property. Sole Agents. NH4387. £965,000, Tel: Bournemouth (0202) 233563/24508.

Coursemous (UZIZ) 23363/24508. (C) EAST MIDLANDS — CLOSE Mt MOTORWAY

One of the finest Nursing Homes surely in the UK. Reg 54, recently opened and already producing income of 0500,000 + ps. together with additional Nursing Home Reg. 40, located close by, producing in excess of 050,000 ps. Very profitable Home and must be inspected. Sole Agents. NH8032. 22 million. Tel: Leeds (0532) 467101.

Unique combination of two magnificant Ros. Homes, combined reg. of 55, each with 3 acres of land and offering the highest standards of care and comfort. Income £8,000 pw+. 7 sheltered accom. units just completed producing further £9,000 ps. Service charge. 150 acres of land with p.p. for golf course use separates the two Homes. Certainly of interest to leasure groups. Sola Agents. RH4436. Offers circs £2 million. Tel: Bournemouth (0202) 283583/24509.

#### **Gravatom Industries** Limited

The Joint Receivers and Managers of Gravatom Industries Limited offer the businesses and assets of the company for sale. The major features are:-

 High quality engineering and fabrication to Del Stan 05-24. Contracts for the supply of patent cold moulded load bricks to the nuclear industry. Contracts with substantial employers in the nuclear defer

and civil industry sectors. A significant investment in machine tools.

Aff capables to the joint receivers and engagers: PS Padmare PIA and PBC Bondown PEA Price Vinterinate, 1 London Vridge, London SE1 968... Voluphane: 01 437 8383 Tehen 631793 and 5347181Pac; 61 403 5265

Price Waterhouse



#### SANDIACRE ELECTRICS (1984) LIMITED

IN RECEIVERSHIP Designers and suppliers of industrial

electrical control panels. Turnover approx. £1.2m per annum. Small customer base with well known concerns. Order book and work in progress £200,000 to £300,000 QA approved. Modern leasehold units approx. 12,000 sq ft. Principals only please apply.
W.J. Kelly FCA, Ernst & Whinney,
Windsor House, 3 Temple Row,
Birmingham R7, 51 A.

Birmingham B2 5LA. Tel: 021-236 9151.

Ernst & Whinney

TRAPPERS FOODS LIMITED (In Receivership) **FOR SALE** COMPLETE QUICK SNACK/FRY LINE

Installed in fully-fitted Leasehold Works, **Basingstoke** Ready for immediate operation.





Clark Whitehill & Co Chartered Accountants 25 New Street Square, London EC4A 3LN.

## AGRICULTURAL MACHINERY SALES.

Pending ratirement of owner provides the apportunity to purchase a completely self contained business in Cambridgeshire. The freehold property comprises workshops, offices, shop and stock rooms on si 42 acre site with planning permission for light engineering use, together with 3 bedroomed bungslow currently occupied by the proprietor.

ALL FOR A PRICE OF £250,000 In addition the purchaser will be able to take over stock, machinery, and equipment at a price to be agreed, but probably in the region of £75,000

REPAIRS AND SPARES

TV

FT LAW REPORTS

### Businesses For Sale

#### Plastic Film-Blowing Facility IRISH JURONG LIMITED (In Liquidation)

LOCATION: CO. WICKLOW, IRELAND.

or sale, the business and assets associated with the plastic film-blowing facility of the company, situated 20 miles from Dublin at Kilcoole, Co. Wicklow, Ireland. The complex, located on a site of c.12 acres, comprises a modern highly automated film-blowing co-extrusion and bagmaking capability with printing and recycling plant. Rated extrusion output per hour is c.5,000 lbs.

The buildings are leasehold and comprise c.120,000 sq. ft. of factory, warehousing, offices and ancillary accommodation.

A skilled labour force is available.

**ENQUIRIES TO:** Rory O'Ferrall, F.C.A., Touche Ross & Co., Chartered Accountants, Adelaide House, 19 - 20 Adelaide Road, Dublin 2, Ireland Telephone: Dublin 784833 Telex: 30232 TRCM EI Fax: Dublin 784029. Or

Barry Caldwell, A.C.A., Irish Jurong Limited, (In Liquidation), Kilcoole, Telephone: Dublin 875791 Telex: 90898 IJL EI Fax: Dublin 875799.

## Touche Ross

HIRE PURCHASE AND LEASING

LOAN BOOK

FAITHFULL CREDIT LEASING LIMITED

(IN RECEIVERSHIP)

The loan book of this company is offered for sale. The company operated

from Manchester and ceased to write

800 agreements with a book value of

For further details contact: John Warren FCA or Scott Martin FCA,

17 Marble St., Manchester M2 3AW.

UPHOLSTERED FURNITURE

**MANUFACTURER** 

**F. HENSHAW & SON LIMITED** 

(IN RECEIVERSHIP)

Trading as Aries Furniture Company

Business and assets for sale.

furniture manufacturer at Trentham

and upholstery equipment.

668202. Fax: 061-834 7117:

Lightning Graphics

Turnover in the order of £250,000 p.a.

At inquiries io:
John Alexander and Tim Rayward
Peat, Marwick, Mitchell & Co.
1 Puddle Dock, Blackfriara
London ECAV SPD
Telephone: (01) 236 8000

PEAT

Equipment

**MARWICK** 

All inquiries to:

The joint administrative receivers offer for sale the business and assets of Lightning Graphics Ltd. based in North-West

The company provides a phototypesetting service to the print

**Industrial Communications** 

Oxfordshire based

Oxfordshire-based specialist design and assembly of industrial communications equipment, with strong customer base, and exclusive overseas supply contracts. Turnover is in the region of £700,000 p.a. with potential

for substantial increase.

The assets of the business include leasehold premises,

plant and machinery, stock, work in progress and order

**Levy Gee** 

For further details, please contact:—

Levy Gee and Partners (Ref: SGF) 100 Chalk Farm Road, London NW1 SEH Telephone: 01-267 4477. Telex: 27806

Long established upholstered

approximately 4 miles south of Stoke-

on-Trent and 2 miles from M6. Turnover

in 1986 £1.7 million. Freehold premises

For further details contact:

John Warren FCA or Nigel Hamilton

17 Marble St., Manchester M2 3AW.

Telephone: 061-832 5784. Telex:

FCA, Ernst & Whinney, Lowry House,

Ernst & Whinney

Ernst & Whinney

Ernst & Whinney, Lowry House,

Telephone: 061-832 5784. Telex:

668202. Fax: 061-834 7117.

income from the loan book is

approximately £60,000.

new business in April 1986. At present

the loan book consists of approximately

about £1.5 million and the monthly cash

COMPANY FOR SALE Well established NCIA approved elem installer, SE based Turnever £19,000 £15,000 under contract Price £200,000 including valuable Freshold Write Box HT846, Financial Times 10 Cannon St, Landon £CAP 45Y

MODERN SLIMMINA AND BEAUTY CENTRE

IN PRIME LOCATION.
LONDON W3
Fully equipped, gym and lateat alluming machines
OFFERS a \$50,000 Control: ANGLO AMERICAN ESTATES LTD TEL: 01-439 4554

SPECIALISED MEDICAL & BIOSCIENCE ELECTRÓNIC INSTRUMENT COMPANY retirement, Reply to Box H1882, Pingnotal Timed 10 Cannon St. London ECAP 48Y

FOR SALE Long exteblished well regarded medium sized
BUILDING AND CIVIL INEERING CONTRACTOR with skilled workforce in the North of England ite Bax H1858, Financial Time:

OURIST HOTELS in Spain for Sale— 3-star category with 180 and 250 Bedrooms, Defails in confidence from Balley-Ambler International, PO 80x 1. Grantham NG31. GATWICK: Specialist emp any states col-laboration/offers. T/O £1/4M. 0293-

The Standard

**Uphoistery Co. Ltd.** 

The Joint Administrative Receivers offer for sale the goodwill and assets of this established

mises with newly built offices in Highbridge, nextet, close to the M.5 Motorway.

Turnover for the twelve months to 31st

hetential order book.

TRUCK RENTAL BUSINESS

R. J. Boot PEAT, MARWICK, MITCHELL

45 Church Street Birmingham B3 2DL

PEAT MARWICK

term hire contracts.

The business has an outstanding profit record.

Principals only should write for further information to:

December, 1986 exceeded £750,000 and there is a

Further information may be obtained from the Joint Administrative Receivers, Robert St. I. Buller and Maurice Withall, Grant Thornton, 43 Queen Square, Bristol BS1 4QR.

72: 0272 28901. Teles: 444506 BRSL-G. Fax: 0272 25458.

Grant Thornton

Old established truck rental business for sale. Based in the

Midlands, the business operates a fleet of 110 modern vehicles ranging from light vans to 4.5 ton trucks on short and long

**BUSINESS FOR SALE** 

FOOD RETAILING

Warehouse unit (21,000 sq ft) incorporating office accommodation with adjoining yard and

Offers invited for business as a going concern Would consider part disposal

Grimley & son 01-629 2180

Mellier House, 26A Albemarle St., London W1X 3FA.

· Birmingham · Manchester · Brussels

PROPERTY DEVELOPMENT COMPANY WITH TAX LOSS FOR SALE

Accumulated tax loss of £544,000

Net assets (freehold properties and cash) £503,300

Please reply to Box H1861, Financial Times 10 Cannon Street, London EC4P 48Y

FOR SALE

PROGRESSIVE YOUNG ELECTRONICS COMPANY

Principals only apply to Box H1849 Financial Times, 10 Cannon Street, London EC4P 48Y

COACH AND PRIVATE HIRE—EAST ANGLIA A soundly based first class business with excellent further scope in this fast expanding region. Brand new Freshold Premises on two thirds of an acre well located site. Most recently completed years turnover in excess of £500,000 with net in excess of £100,000. Good modern vehicle fleet.

EVERETT MASSON & FURBY LTD 24 Militon Rd. Combridge CB4 1JY - Tel: (0223) 85673 attn of John Morran

FOR SALE—USA
GIFTS & NOVELTIES
MANUFACTURER
with annual sales of Som and
annual cash flow in excess of
\$500,000
Please respond with product
interature and financial report to:

Box H1851, Financial Times 10 Cannon St, London EC4P 48Y

Prepared Fresh Foods

Company

Recently astablished Company operation in West London preceding in West London preceding a variety of foots for the Wholesale Catering Market, Mproductions in Market, Mproduction in Catering Company of Section 1985, 2000.

Price in the region of \$180,000. Write Box H.1845. Financial Times, 10 Cannon Street, London EC4P 4BY.

inded at £510,000 complete. Further details:

**FOR SALE** 

CONTROLS COMPANY
his jong established company
a annual sales in excess of 23n
se an excellent reputation for

nes en excertent reputation for quality products and it a recognised supplier to a wide range of major companies Principals daily reply to: Box H1860, Financial Times O Cannon St, London EC4P 48Y

SMALL HIGH PRECISION

ENGINEERING COMPANY

ENGINEERING COMPANY alturated near Heathrow, trading since 1969, supplying bire chip defence companies. An original investment opportunity with potential for expansion of customer 849. Average process profit 50 per cent assets younged at 250,000. Owners wish to realize their investment. Principals only twite 50x Principals only twite 50x Financial Times. 19 Cannon Street, London EC4P 487.

at present primarily engaged in the manufacturing and distr LEISURE INDUSTRY RELATED PRODUCTS Excellent export record and unlimited potential for further Well established and proven R & D department with strong intrastructure. 10 year trading history available to serious a

cold store (128,000 cu ft) within easy access to M25

15 Food retailing outlets in SE England

specialising in frozen food
Turnover c £4.5 million pa (ex VAT)

10 Cannon St. London EC4P 48Y

#### TILLAGE EQUIPMENT MANUFACTURERS

THE ROVERT GROUP

The Joint Administrative Receivers offer for sale the business and assets of the Rovert Group of Companies based in Cheltenham, Gloucestershire.

The group is engaged in the design, manufacture and marketing of electro-hydraulic

test equipment. The group has a first class record in project engineering of a "turnkey" type and takes overall responsibility for the installation and

\*Annual turnover approximately £1.5 million

Substantial freehold property on two sites

\*Leasehold administrative premises

\*Current order book c.£400,000

support on site.

\*45 employees.

Motor vehicles

The assets include:

Plant and machinery

\* Fixtures and equipment

For further details contact:

Arthur Andersen & Co.,

Broad Quay House,

\*Stock and work in progress

K. S. Chalk or M. T. Fitzgerald,

Broad Quay, Bristol BS1 4DJ.

Telephone: (0272) 277436. Telex: 444169.

Owner of Cambridgeshire based business now wishes to sail due retirement. The husiness premises are situated on an industrial easte are comprise a 6,600 equare foot factory and offices on a 14 acre sits most laid to concrite. This freshold property is for sale at 220,000 plus stoomschinery and equipment at a price to be negotiated, but probably it has region of 220,000. ı. Write Box H1854, Financial Times

non Street, London ECAP 481

#### ELECTRONICS DIVISION

South Herts Engineering Company wishes to divest itself of small profitable Electronics Division which is not compatible with future development plans. Excellent digital display products and sound customer base of major UK companies and public bodies Turnover £150,000. Management Equity Partnership considered For lumber details please write to Box H1850 Financial Times, 10 Cannon Street, London ECAP 48Y

#### FOR SALE

#### PROPERTY/GRAIN STORAGE COMPANY

Profitable, East Anglia based. Assets include freeholds Turnover circa £1,000,000 pa

For details, principals only, write to Box H1866 Financial Times, 10 Cannon St, London EC4P 48Y

**Business** Transfer Brokers Well established SOUTH OF ENGLAND mover over £325,000 approx Substantial profits

Write Box H1857, Financial Times 10 Cennon St, London EC4P 48Y

RECORDING STUDIO COMPLEX FOR SALE IN LONDON NW1 2 x 24 Track Studios plus Ancillary Offices - Lassehold For further details please call: 01-554 7054 PO Box 909, NW1 SHQ

Arthur Indersen

#### Office Equipment

#### **Large Quantity of Nearly New Redundant Office Furniture**

100 light oak Desks/100 Clerical Chairs/Rosewood Desks/Boardroom Tables/Fire Resistant Cabinets/2 Executive Suites

Tel: 01-5499339

EXECUTIVE ITALIAN OFFICE PURNITURE

Collection of high quality executive and operational ranges finished in natural selected veneers: Rosewood, Walnut, Black Ash, Light Oak, including desks returns, bookcases, sideboards, conference tables. Many configurations of systems furniture. In bi-laminate finishes and light oak veneer. Substantial discounts.

FREE DELIVERY AND INSTALLATION
Full details tel: 0992 500567 - Fax: 0992 500568 - Telex: 818193

OFFICE FURNITURE CLEARANCE SALE

VRW has the country's largest stock of manufacturers' seconds elegrance lines and discontinued anges. Ex million of top qualifications must go

OFFERS CONSIDERED a showroom close M1/M25 Delivery service Tel: 09276 7226 For FREE Catalogue

Plant and Machinery

MORE THAN 70 fork lift trucks is stock.

We have alarge selection of quality used trucks, all closned, inspected, painted and ready for work. Price ligt available, but personal inspection recommended. Trade and export enquiries welcomed. Simulaplans Fork Lift Truck Ltd., 4-8 Hamp Road, Sattey, its price of the contraction of the contr am, 021-327 5944/S. Teles

LIMITED COMPANIES

U.K. and International

Isle of Man & Non-Resident

*IIIEXPRESS* 

COMPANY REGISTRATIONS LIMITED morth House, 25:35 City Rt London RC1Y 14 Telephone OL-588 3271 Telep 887475

SUSTNESS AND ASSETS of solvent and insolvent companies for sale; Susiness and Assets (RLC), Tel; 01-637 3036.

WEST GERMANY—The professional office service, lect. rooms: ASD GmbH. Blumenstr. 8, D-4000 Dusseldort 1.

IMITED COMPANIES. COMPANY FORMATION AND SEARCHES! Fast Servicel Credit Cards! 01-629 7020.

Legal Notices

STEPHEN HEATH & SON LIMITED
Registered No: 470249
Trading name:
Stephen Heeth & Son Limited
Name and address of
administrative receiver(e):
John F. Frowelt and
Adrian R. Stanway
Cork Gully
43 Temple Row
Birmingham B2 SIT
Deta of appointment:

Data of appointment 20 March 1987

Name of appointer: ional Westminster Bank Ptc J. F. POWELL

#### Business Services

#### BUSINESS FINANCE

- PROPERTY OR BUSINESS
- COMMERCIAL MORTGAGES
- BUSINESS EXPANSION
- \* MANAGEMENT BUY-OUTS BALANCE SHEET LENDING

For Financial Advice or Consultancy, telephone or write to our Manager David Whittaker BANCK |

01-930 9631 

43 Pail Mail SWIY SIG

HMOS !

#### Offshore & UK. - Companies -

SELECT COMPONENT SERVICES L'IN. S House Pleasurt, Daughae, hão of Mas. Toj: Daughae (1994) 25712 Tojus 636144 SELBOT G

London representative:
3-4 Oth Award St.,
Landon W1.
Tel: 17-1013 gald
Tel: 22247 SCSLDH 6

#### CALFORNIA COMMECTION NEED HELP IN CALIFORNIA?

Warehousing, Distribution, Sales Consulting, Principal in UK 1st April Reply in confidence to: Write Box H1853, Financial Times 10 Cannon St, London EC4P 4BY

CENEVA—Full service is our bus Flaw and Taxation. - Mailton. Francis phone and teles services. - Francis and servicerial services. - Francis domicilistion and administration Swiss and icresion companies. Ess Advisory Service SA, 7 Rue 1 1207 Geogra. Tel: 36,05-49.

## Trade debt can be frozen in UK

DEUTSCHE SCHACHTBAU-UND TIEFBOHRGESELLSCHAFT mbh v R'AS AL KHAMAIH NATIONAL OIL COMPANY Court of Appeal (Sir John Donaldson, Master of the Rolls, Lord Justice Woolf and Lord Justice Russell): March 24 1987

ARBITRATORS WITH power to choose the law of the arbitration are not confined to national systems, but may apply principles internationapply principles internationally accepted within the relevant field. Also, a trade debt owed to a judgment debtur is an asset within the UK capable of helical principles. an asset within the own tapare of being frozen by the court if payment, though intended to be made abroad, is enforceable in the UK.

The Court of Appeal so held when dismissing appeals by the RAS Al Khamain National Oil Company ("Rakoil") from Ma Justice Bingham's refusal to discharge an order freezing its assets in the UK; and from Mr Justice Leggatt's judgment up-holding an order for enforce-ment of an arbitration award ment of an arbitration award made against it in Switzerland in favour of Deutsche Schachtbau-und Tiefbohrgesellschaft mbH ("DSI"), and setting aside leave granted to Rakoil to serve a writ on DST in Germany. Shell International Petroleum Ltd intervened in the appeal from Mr Justice Bing-

ham's judgment. SIR JOHN DONALDSON said that disputes arose between DST and Rakoil under an oil exploration agreement contain-ing an International Chamber of Commerce (ICC) arbitration

DST referred its claims to an arbitral tribunal in Geneva. Rakoil instituted proceedings in the court of R'As Al Khamaih. Neither party took part in the other's proceedings. DST succeeded in the arbitration, the award being \$4.6m. Rakoll suc-ceeded in the litigation. The damages were \$1.4m.

Neither party could find a way of enforcing the decisions. In June 1986 rumours reached DST that Shell had been buying

oil from Rakoil. It set about trying to satisfy the award out of Shell's payments to Rakoll. On July 2 and 24 1986, on DST's ex ports application, Mr Justice Bingham made orders (i) granting leave to DST to enforce the arbitration award in the same manner as a judg-ment; and (ii) restraining Rak-

oil from removing out of the jurisdiction any debts due to it from Shell. On August 8 the judge re-fused an application to dis-charge the injunction.

Rekoll obtained leave to serve a writ on DST in Germay, to enforce the R'As Al Khamaih judgment. The intention was claim based on the award...

An application to set aside that leave came before Mr Justice Leggat at the same time as the application to set aside the leave to enforce the award

as a judgment.
The judge refused to set aside leave to enforce the award. He set aside Rakoil's leave to serve the writ against DST. He stayed execution of the award until after the appeal against Mr Justice Bingham's refusal to

discharge the injunction. The appeals from Mr Justice Leggatt's and Mr Justice Bing-ham's judgments were heard at

the same time. Shell was sub-jected to substantial commercial pressure to pay Rakoil in New York and was given leave to in-Section 32 of the Civil Juris-diction and Judgments Act 1982

provided that a foreign judgment should not be recognised or enforced in the UK if the bringing of proceedings in the foreign court "was contrary to an agreement under which the dispute in question was to be settled."

The proceedings in the court of R'As Al Khamain were in breach of the arbitration agreement. The judgment could not be recognised or enforced. It followed that Mr Justice Leggatt was right to set aside leave to serve the writ out of the jurisdiction.

The arbitration award was a "Convention award" within the meaning of the Arbitration Act

1975, having been made in a state which was party to the New York Convention on the Recognition and Enforcement of

meaning of the Arbitration Act 1975, having been made in a state which was party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

It was therefore enforceable in the UK by action or under section 26 of the Arbitration Act 1950, which provided that an arbitration award might, by leave of the High Court, "be enforced in the same manner as a judgment." The proper law of the arbitration agreement was Swiss law, and the agreement was valid under that law.

law.

It provided that "all disputes shall be finally settled under the ICC Rules... The arbitration shall be held in Geneva." Article 13.3 of the Rules provided that in the absence of any indication as to the applicable law "the arbitrator shall apply the law which he deems appro-priate" priate."

That suggested that the parties intended to delegate to the arbitraturs the choice of law governing the substantive contract. The arbitrators had determined that the proper law

principles of law governing contractual relations.

They said that the relevant contracts were between a min ber of companies organised under various laws, and that they would refer to what had become common practice in international arbitrations in the field of oil drilling concessions, and especially in arbitration in Switzerland.

ger pub

make the

mere pres

F.C.TS

ecol

to the sec

9 88 De 2

BHZ LV.

20 Jan 19 1 1950

mer.

ತ್ರವಾಗಿ ನೀಡಲಾ

Mr Longmore for Rakoil sub-mitted that it would be constrary to public policy to enforce an award which held that the par-ties' rights and obligations were to be determined, not by any national law, but on unspecified and possibly ill-defined inter-nationally-accepted principles of

There were three questions which the court had to ask when confronted with an arbitration clause providing that rights should be governed by a system which was not a state system of law: did the parties intend to create enforceable rights and obligations; was the agreement sufficiently certain to constitute a legally enforceable contract; and would it be contrary to public policy to enforce the award, using the coercive powers of the state?

There was no doubt the par-ties intended to create legally enforceable rights and liabilities, and that enforcement of the award would not be contrary to public policy. That left the question of whether the agreement had the requisite de-gree of certainty.

By choosing fo arbitrate under the ICC Rules, particularly article 13.3, the parties had left the proper law to be decided by the arbitrators, and had not confined the choice to national

There was no basis for concluding that the arbitrators' choice of proper law—a common denomination of principles underlying the laws of various nations governing contractual relations was outside the scope of their choice.

The appeal from Mr Justice Leggatt's judgment should be Although it was convenient

to refer to Mr Justice Bingham's order as a Mareva injunction it was doubtful whether it fell in that category.

The Mareva innovation lay in giving a plaintiff some degree of protection before he became a judgment creditor. Once the judge gave DST leave to enforce the award as a judgment it became a judgment creditor.

On the Mareva approach the first - question was whether Rakoil had any assets within the furisdiction. The only asset which had ever been suggested was the trading debt owed by Shell. It was not, according to Rakoil, an asset within the

The issue was bound up with could be taken in execution of an English judgment in favour of DST by garnishment or appointment of a receiver, since it would not be right to main-

tain an injunction if it could

As far as garnishment was concerned, the only relevant jurisdictional requirements were that the garnishee should be within the jurisdiction, and that the modern of the control of the co that the subject matter should be a debt due to the judgment debtor from the garnishee. How-ever, a garnishee order would not be made if it would not operate to discharge the garnishee in whole or pro tanto from his liability in respect of the list

Most nations had a rule similar to that of English law, that validity and effect of attachment of a debt were governed by the lex situs of the debt. A complication arose where the debtor carried on the single six more than one business in more than one jurisdiction but that did not arise in the present appeal since Shell asserted that it did not carry on business in New York. It was simply owed money by New York bankers.

If Shell were to default on its obligation to pay Rakoli its its obligation to pay Rakoli its liability could certainly be enforced in the UK, and probably only in the UK. There was no suggestion it could be enforced in New York.

It followed that, but for the

not potential, judgment creditor.

The appeal from Mr Justice Bingham's order was dismissed. Lord Justice Woolf and Lord Justice Russell agreed.

For DST: Stewart Boyd QC and Ion Glick (Herbert Smith &

For Rakoil: Andrew Longmore QC and Alan Pardos (William A. Crump & Son). For Shell: David Johnson QC and Mark Havelock-Alian (Mid-

هكنامن الأجها

By Rachel Davies **Egrrister** 

4

dleton Potts & Co).

Actor to the

and the same of th

1.000

#### Tuesday March 31 1987

# FINANCIAL TIMES



Now part of the fabric of the country, the New Towns in the 1980s have to compete for investment with the old

ones. The government's drive to sell off their public assets leaves the towns to make their own way, but those in the more prosperous south have the brighter future. Paul Cheeseright reports

## Caught in the economy drive

The era is ending. The New Towns, into which successive governments have pumped £Abn governments have pumped fAbn areas in ju of public money, are no longer old ones.

Now, they are part of the accepted fabric of the country, arousing comment only to the extent that particular interests are affected by the disposal of their public assets.

The New Towns were conceived by a generation for which expansion was a state of mind. They could provide new homes, new jobs, new surroundings for those in the overspilling cities of London, Glasgow,

Manchester and Liverpool They could be focal points for new expansion in areas of the country which needed a new

establish one a year. Some were are. built on greenfield sites, some Of fitted on to existing towns. Others were promoted to foster development between existing

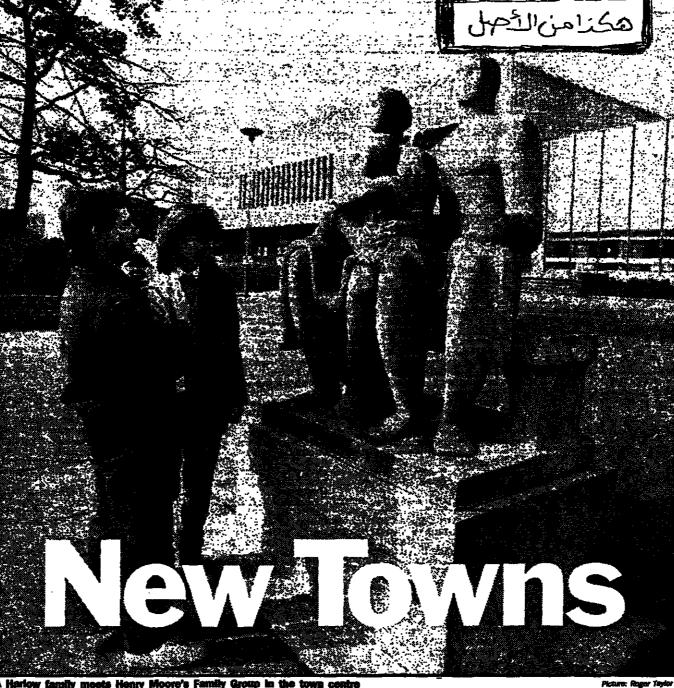
The present Government has not wished to continue a major programme of public invest-ment Rather it has sought to cut back its own expenditure and the New Towns have been caught up in that economy

drive.
Through the Commission for the New Towns, the drive is on to sell the public assets. More than £860m-worth have gone and there is another £2bn for disposal over the next few

At the same time, the Government has been forced to switch its attention back to the cities that the New Towns in the first ment to put in the infrastructural stance were designed to the cities and community halls.

Official urban spending has to act.

And the second s



around London like Tillingham

country which needed a new economic impetus. It was assumed that the population would continue to grow.

So they sprang up. Even as late as the 1960s, the idea was to live and work, but to revive those where the people already are.

that the New Towns in the first ment to put in the schools and ture, build the schools and to hospitals and community halls, setting up new places for people. now the private sector is preto, live and work, but to revive those where the people already obtain the planning permission.

switched back to the inner But there is a link between cities. Any spending on New the New Towns and the inner Towns now is likely to come cities. One of the enduring lega-But the population did not continue to grow Regional policy this decade has virtually between the private sector with cies of the New Towns is the developments like Bradley technique used to set them up—solicy this decade has virtually pressure to build new villages ment corporation, a single-pur-

about inner city regeneration-first London Docklands and Merseyside, now four more cities, and then a further 14 where the corporations will

the Government does not have o act.

But there is a link between he New Towns and the inner lities. One of the enduring legaties of the New Towns is the corporation. Except that it is not quite so clear-cut as that.

and financial powers.

The Government has picked up the idea of the development corporation and used it to bring about inner city regeneration—first London Docklands and Merseyside, now four more cities, and then a further 14 lee and Washington disappear the corporations will and it is on the cariff that the terms of the corporations and it is on the cariff that the terms of the carmorations will be to be wound up by 1992. Combran in Gwent, set up to provide housing near the new jobs being created along the south Wales coastal belt away regional lobby in the North East the terms of the carmorations will be come just a normal town next where the corporations will be to provide housing near the new jobs being created along the south Wales coastal belt away on the carmoration will be wound up by 1992. and it is on the cards that the industrial and commercial

property portfolio will be handed on to English Estates, the Government's own property company, rather than be placed in the hands of the Commission for the New Towns for disposal. Outside the North East, all the Certainly the Labour Party is Outside the North East, all the not satisfied that the corporation other English New Towns

the New Towns are under con-trol of the Scottish Office as opposed to the Department of the Environment elsewhere, ed to the Department of there are no immediate plans to the price goes up sharply—wind up the development £200,000 an acre in Basildon, corporations. Situated in a belt £240,000 in Harlow, £300,000 in corporations. Situated in a belt 2340,000 in Harlow, 2300,000 in running across central Scot-Stevenage, 2600,000 in Crawley, land, they are still seen as hav- 2700,000 in Hemel Hempstead. ing a particular role in promot- And in the rich Thames Valley,

CONTENTS

The big self-off: How the government's policies are being carried

North West: A long road to the dream

growth, have found themselves with exactly the same sort of

economic problems as the big-ger cities.

Mr Howard Thomas, the Com-mission for the New Towns' director of estates, "we're in the confidence business. We don't encourage too many developments in the same

month so that everybody is fight-

ing for the same tenants."
The New Towns, in short, are

caught up in the North-South divide and are only as strong

in Redditch.

"In weaker locations," says

Origins: idealism that met a post-war South East: Pulled Into the region's housing need 2 pattern of prosperity 4 Corby: Town that had to survive the steel rundown

Scotland: Vital role as centres of new

industry Housing: New homes for old for Bri-



prices go up to £1m an acre in Bracknell. Small wonder that the Commission for the New Towns has sold more than half the New Town assets for disposal in the London ring towns but faces a 10-year selling campaign in the

But the end of an era is not only a question of asset dispo-sal. It is also one of regeneration of the new Towns them-selves. While it may be a non-sense to talk of that in the Mideconomically as the region sur-rounding them. In no way is this clearer than in the prices for land which might be used for providing employment, whether it is industrial, warehousing or

some other purpose.
At one end of the scale, the price in Skelmersdale is £25,000 Here the first-generation towns are in the middle of second-generation develop-ment in Bracknell and Hemel an acre and in Central Lan-cashire it is £50,000; in the Mid-Hempstead, for example, many of the original buildings have lands, the price rises to £100,000 in Northampton and a little less gone—the towns have re-built themselves. But in the London ring towns

This is the clearest signal that the ideas of the post-war planners have come to fruition. The New Towns, and their communi-ties, have taken root and grown under their own impetus.

# There are 21 English New Towns in this Survey. One organisation has property in over half of them.

This organisation offers an unparalleled range of industrial and commercial property and land in 13 towns.

This organisation offers unrivalled opportunities to industrial and commercial businesses, investors and developers.

This organisation is the Commission for the New Towns.

Call James Grafton's office on 01-935 6100.

No other organisation can help as much as we can.



Basildon · Bracknell Central Lancashire · Corby · Crawley Harlow · Hatfield · Hemel Hempstead Northampton · Redditch Skelmersdale · Stevenage Welwyn Garden City.

Property Centre, Commission for the New Towns, 68 St. James's Street, London SW1A 1LD.

Britain's New Towns

Sheer necessity gave a powerful impetus to creating new communities to relieve urban congestion and provide more housing, says Hazel Duffy

# Ideal that met a post-war need

THE NEW Town programme County Council and then Minishas been one of the most ter for Town and Country Plan-successful things done by Bri-tain in the post-war world in a planning enthusiast, to head terms of its contribution to liv-ing and working conditions," The committee got to wi ing and working conditions,"
says Mr Wyndham Thomas, former general manager of Peterborough Development Corporation and now chairman of Inner City Enterprises.

The committee got to work rapidly, producing three reports that year, laying down the principles on which the public corporations responsible for the greation of the New Towns The New Town movement had its origins in the garden cities should work. (Reith also concept conceived by the Victorian idealist Ebenezer Howard at the beginning of the century. Howard's idea was that urban into practice.)

The New Town movement had should work. (Reith also became chairman of the Hemel development corporation in 1947, enabling at the beginning of the century. Howard's idea was that urban into practice.)

to satellite towns, with the cooperation of local authorities
and the private sector.

His book, Tomorrow: A Peaceful Path to Real Reform, set out
the fundamentals of the garden
city approach. Although only
two garden cities were set up—
the two cities around which the
plans first took shape. Stevenage, in Hertfordshire, was the
first New Town, followed by
two garden cities were set up—
the two cities around the capital to
form the London ring. In Scotwyn (which eventually became a
New Town) in 1920—the philosophy lived on.

During the 1930s, the move-

phy lived on.
During the 1930s, the movement for planned decentralisation gathered force and a Ministry of Town and Country Planning was set up during the war, poised to implement some of the ideas.

Glasgow.

Glasgow.

Corby in the East Midlands, were added to form what he may became known as the first generation of New Towns ideas.

Attlee Administration. It was

government brought to power interesting that with these last people who, faced with enorthere, a new concept had come mous housing problems, into being additional to that of thought it natural that the providing overspill facilities for resources of the state should be the largest cities in Britain. In the case of the two North needs for new housing and better working conditions.

The New Towns programme attract industrial investment was set up in 1946 by Lewis and so diversify the heavy Silkin, formerly of the London industry base of the region.

the creation of the New Towns should work (Reith also became chairman of the Hemel Hempstead development

congestion and poor housing. An essential feature of the could be alleviated only if sur-corporations formed to run the plus population was moved out New Towns was that they were to satellite towns, with the co-put above the local authorities

The election of the Labour Attlee Administration. It was government brought to power interesting that with these last

Corby, meanwhile, was a booming steel town which needed a lot of housing for people who had migrated to the area for jobs, most from Scot-land. It was a role which was to change completely 30 years later when most of the steel industry in Corby closed down. Glenrothes in Fife was also

set up during this period, in an old mining area, to attract new These were the halcyon days for the New Towns movement, particularly those built on greenfield sites. Forty years

abroad to witness the post-war experimental ideas in planning. Sir Frederick Gibberd, princi-pal architect of that town, was praised for the way that he brought together designs for buildings, townscape and land-scape into a cohesive whole.

The standards of housing although not always that good—were bgher than for public housing built by the local authorities. Industrial buildings were located in specially-designated parts of the towns, and recreational facilities were

cities, from where many of the new residents came. Pedestrianised areas, for instance, were then a brand new

where they first made their appearance.
There was more to the towns than planning however. "They were regarded as social experi-ments," says Prof Gordon

Birmingham University. There were teething prob-lems, inevitably. One of the best-known sociological studies, "Family and Kinship in East London," by Willmott and Young catalogued the break-down of community life when

Towns in the changing social order of the postwar period? "I do not think their contribution was that significant," says Proessor Cherry.

"The drift in employment and

e-housed in Harlow.

housing away from city centres had been happening anyway, from London towards the suburbs in particular in the 1930s. And the move towards a more

The New Towns mov in 1951, but not as much as migh losophical differences with the Labour party. Idealism had given way to sheer need, with-not very different remedies.

Britain's housing problems the key to the continuing need for the towns. The 1951 Census recorded about one third of houses without a bath. By 1960, Conservatives were planone new town a year. 1961, Skelmersdale was

established north of Liverpool It was seen as "a safety valve for North Merseyside—to create new jobs and a new environment," says Mr John Leigh, executive officer, Commission for the New Towns, Skelmers-

This was at a time when the area was looking to see where it might expand. The birthrate was going up. There was no outstart was made to the prog-ward migration in what was ramme which led to renewal of then a stable economic com-the eastern part of the city by

then a stable economic community.

Skelmersdale was the first of the second generation of New Towns—followed by Redditch, Runcorn, Washington in 1964. In many respects, Skelmersdale signified the problems engendered by location—New Town—which acts as a much higher private sector a respect with Warrington corn (merged with Warrington and needs. Some were geared to corn (merged with Warrington corn (merged with Warrington consistence).

Their purpose, like that of the downs of the local suthorities. Last year, the Government gave the go-ahead for four more UDCs.

For the New Towns themselves, their success in general can be measured by the fact that most are now ready to take their

**EDINBURGH** later, towns like Harlow in Essex still attract planners from Warrington Telford olwyn Gdn City

LONDON



were still immense, and this was Shops at Milton Keynes'. huge central complex

became increasingly important tions — a mark, say the towns' with the waning of Merseyside.

By the late 1960s, the third houses.

However, the new Conservaway. Milton Keynes, Peterborough, Telford, all sprang from the booming West Midlands economy, as it was then. But the warning signs that the population boom was turning down were just becoming apparent.
Already, there was a move
towards restoration of the
existing city fabric in place of clearance and sending people to live in new areas.

In Glasgow, for instance, a the eastern part of the city by the rehabilitation of old dwell-

tive government of Mrs Thatcher in 1979, disliked the "quango" nature of the way in and the start of the planned dissolution of the structure was set in motion.

But they were not entirely a thing of the past. The two urban

up by Mr Michael Heseltine in Docklands Merseyside, in the early 1980s with their own planning powers were modelled largely on the

corn (merged with Warrington early towns, for example. The can be measured by the fact that in 1981) was more accessible publicly-owned housing, most are now ready to take their from the rest of the country than increasingly, has been sold to place in Britain simply as Skelmersdale, something that tenants and housing associatiowns.



ician working in a factory laboratory at Telford

# We'd like to get on first name terms.

PLEASE DON'T THINK we're advocating any unseemly informality. Far from it.

We merely wish to become the first name that springs to mind when you're considering anything to do with offices, shops, or industrial and high-technology buildings.

Anything, did we say? Yes, more or less. We're aware that's rather a large claim.

However, we are rather a large practice. (We've eighty-five partners and associates, and over five hundred staff in the UK alone.)

And we didn't get big by turning down small jobs. In the past year, for example, we've handled instructions on units ranging in size from 400 square feet up. Admittedly, the largest is 3 million square feet, and it's true that much of our work is extremely large.

As a matter of fact we think our size adds perspective to our experience and skills.

Big can be beautiful too, you know.

We'd like to put our skills at your service. And to begin with, let's run through what we do.

selling, and the funding of property development. Our agency teams cover developing, letting

Our investment people handle buying and

and acquiring, as well as rent reviews and lease renewals.

Our valuations group can tell you what your property's worth.

And in these days of 'intelligent buildings' you need highly intelligent advice on management, maintenance, and the improvement of property.

What's more our databank is one of the



largest sources of commercial property information; which is one reason we act as consultants to so many clients.

And we're just as at home abroad. In other Jones Lang Wootton firms overseas there are a further 125 partners and 1,200 staff, in 35 offices, in 14 countries, on 4 continents.

Whether you're at home or abroad, large or small, we're at your service.

If you'd like to know anything else, please call us on 01-493 6040.

To begin with, just ask for Jones Lang Wootton.



Chartered Surveyors. International Real Estate Consultants. 22 Hanover Square, London W1A 2BN. Telephone: 01-493 6040. Kent House, Telegraph Street, Moorgate, London EC2R 7JL. Telephone: 01-638 6040.

Bri cat-Parist 100

ara u tos

MOR

Designation and wind-up of England's New Towns

Transfer to

1980

(1988)

1962

1980

1962

1966

(1988)

1966

1986

1982

1980

1985

1985

(1992)

(1988

1985

(1992)

\*Warrington and Runcom Development Corporations were merged in 1981.

Chimbran in Wales, designated in 1949 and with a 1986 population

of 46,100, disposed of its housing assets in 1986. Wind-up and

1978 & 1982

1978 & 1982

1978

1978 & 1980

1978

1978

1978 & 1983

1978

under

1978

197B

1985

1985

under

(1988)

1985

(1987-88

(1987)

transfer to the Commission for the New Towns is projected for tion.

(1986)

under

(1.986)

(1986)

1983

1983

under discussion

under

1985

(1987)

under

(1988)

1985

(1987-88)

Data of designation

1947

1948

1948

1948

1949

1950

1961

1967

1967

196R

1968

1st SENERATION

Hemei Hempstead

Welvyn Garden City

2nd GENERATION

Aycliffe+

Peterlee\*

Bastigon

Bracknell

Redditch

Runcom

Washington

3rd GENERATION

Milton Keynes

Peterborougi

Northempton

Warrington\*

Central Lancashire

(1988)=target date

Telford

Corby

Assets sell-off

## £2bn sales programme going flat out

THE GOVERNMENT hopes to realise some £2bn from the sale of property assets in the New Towns by the mid-1990s. A sales programme, which began tentatively in 1978 and gathered pace once the Conservative Party came to power in 1979, is now going flat out.

It is all part of the more general privatisation programme. From the Government's point of view, the asset sales provide funds for investment in the New Towns where that is still necessary; reduce pressure on the public sector borrowing requirement; and bring the

state's landholdings down to a level where they meet its own needs and nothing else. Sir Neil Shields, who as chair-man of the Commission for the New Towns is responsible for putting the policy into effect, recalls that "Mrs Thatcher was determined. She said the New Towns are costing money, but they have got a lot of assets. If you want further money for the New Towns, find it from your own resources. Instead of just managing enhancing the assets, you should sell as well."

The point here is that the Commission has continued the development of infrastructure that development corporations, now defunct, had started and, especially in the towns of the Midlands and the North West, the prosperity of the towns.

It is, for example, renovating the shopping centre in Skel
shopping centre in Skelhandling sales in 13 townsmersdale. At the same time, it is seeking inward investment —

hence a recent mission to the Eastern US. And it is forced to

accounts show accumulated capital expenditure at £294.7m, down it will become respon-of which £109.1m was spent in sible for asset disposal in Peter-Central Lancashire, £43.6m in borough (September 1998), Tel-Skelmersdale, £31.9m in Rochward £22m ton £42.20m ton £42.20 capital expenditure at £294.7m. ditch, 230.1m in Corby and 222m in Northampton

But such spending has been more than covered by the sale of assets, which has been running slightly ahead of the targets set by the Department of Environ-ment These targets apply not only to the Commission but also to the development corporations in towns which have not yet passed into the supervision

The combined target for the years 1981-82 to 1985-86 was £485m. Actual sales came to £510m. Since 1979 total sales have been £662.8m. But it has proved engine to the the target for the part of the p proved easier to make the sales n the southern part of the country, where economic conditions are easier. Elsewhere, invest-ment is aimed at hastening the ultimate sell-off.

Summing up the trends, Mr Howard Thomas, director of estates at the Commission, says: "In the main, we'll be out of the London estate (the London ring towns) in three years' time.

between. It will take a little lon-

The Commission is currently handling sales in 13 towns—Basildon, Bracknell, Central Lancashire, Corby, Crawley, Harlow, Hatfield, Hemel Hempstead, Northampton, Redditch, Skelmersdale, Stevenage and Walson Carden City Welwyn Garden City.

But as development corpora-tions in other towns are wound ton Keynes (April 1992). The target date for winding up the development corporation in Runcorn-Warrington is March 1988 and for Aycliffe-Peterlee and Washington it is September

Last year the value of the industrial and commercial property and land available for disposal in these towns except for those in the North East was put at £1.4bn, more than twice as much as the total return from the disposals so far.

Housing has been treated in a different way from the indust-rial and commercial property. Much of it has been public hous-ing and generally the control of this has been handed back to the local authorities. There have been two major

rounds of transfers, in 1978 and in 1980-83, but at the cost of the Environment Department pro-viding authorities with funds to rectify defects in the properties.

Latterly the Government has "In the North West it is a 10year job. We should be out of the
Midlands somewhere in associations There is a sociations to the sociation of the sociations of the sociation of

policy of encouraging private purchases by tenants. In 1985, 6,000 homes in Central In 1985, 6,000 homes in Central
Lancashire were transferred to
housing associations. But the
whole question of transfer has
become complex and sometimes
acrimonious. Negotiations for
transfer in Basildon, for
example, have been going on—
the future.

Company of the color

the Government to end uncertainty about transfer in Runmedical control of transfer in Basildon, for
public housing should rest in
the future.

Company of the color

the color transfer in Basildon, for example, have been going on— and off—since 1976.



Sir Neil Shields: "Mrs Thatcher

Basildon Council has been holding its own referendum "have controlled and among tenants to decide what implemented the programme they want to do about transfer, but the Government does not they want to do about transfer. But it did find there was room think this is all appropriately." they want to do about transfer, but the Government does not think this is full consultation. Meanwhile, the Association of associations. There is also a District Councils and the policy of encouraging private National Federation of Housing Associations has been urging the Government to end uncer-

of industrial and commercial ticular property but sometimes, property has proceeded less the Audit Office found, the selproperty has proceeded less the Audit Office found, the sel-controversially. Much of it has lers were not using up-to-date not led to any change of valuations.

occupancy, because the Since the record was pub-

occupancy, because the freehold of any property is first offered to the tenant.
The National Audit Office recently completed a scrutiny of the way the Commission and the of steps to tighten up its operadevelopment corporations have been handling asset sales and it found that 42 per cent of Com-

mission transactions were to tenants and they accounted for 28 per cent of the total value. The National Audit Office was charged by Parliament to see whether the Government is getting proper value from the disposals programme. As Sir Gordon Downey, the Comptrol-ler and Auditor General, noted: "With assets worth more than £1.4bn still to be sold, a 5-10 per cent variation in performance represents a gain or loss of £70-£140m to the Exchequer."

In the main the Audit Office

In the main, the Audit Office concluded, the Department of the Environment, which is onsible for the Commission and the New Town bodies for improvement and noted par-

ticularly:
The need to ensure that assets are sold by competitive tender unless there are good reasons to do otherwise."

The need for the corporations to take a more robust line in negotiating sales of assets to tenants."

The job of the Commission and of the development and of the development corporations is to obtain the Generally, however, the sale highest value it can for any par-

Since the report was published at the end of last year, the Commission has taken a number

tions: It has closed individual offices in the London ring towns and centralised its London estate selling at its headquar-ters. It has stopped destroying

its files. More vigorous moves have been made to expose its prop-erties to the widest possible market. The commission has made certain that fresh valuations on a property are done if negotiations become prot-racted—it is reviewing each outnegotiations standing case every three months. And the development corporations have started to lean more heavily on professio-nal advice.

Selling procedures can certainly be tightened up, but the timing of sales by the Commission is more difficult. The state of the economy ensures that there will be competition for sites around London, but this is not the case elsewhere.

To give the Government value for money, sales have to be carefully staggered. And here the instructions the Commission has are deliberately vague. "If the instructions were made more precise," Sir Neil once noted, "we would have to go hell-for-leather in Skelmersdale, just like Crawley. We'd have to give the stuff away."

The North West

## A struggle to hold on to jobs

SKELMERSDALE was a dream of the future that never came. Central Lancashire was neither new nor a town.

Skelmersdale is struggling to climb out of the trough of its own economic despondency. Central Lencashire is bracing for a struggle to hold on to the

They share the general prob-lems of the North West region. And in the North West economy. notes Brian Birtwhistle, execu tive officer for the Commission for the New Towns at Central Lancashire: "You spend a lot of tancasnire: You spend a lot or time not running to stand still exactly—that's too pessimis-tic—but you run hard to move forward gradually."

If the Government is looking

for a bonanza of asset sales here, it will have to wait.

In Central Lancashire there is £50m worth of assets available. Split 50-50 between industrial and residential property, sales in the 1986-87 financial year will total £6m, but could reach £9m in 1987-1988.

sales in the current financial year will be about £500,000, rising to £1m in 1987-88. "We're trying to get the town moving to seil it off," says John Leigh, the CNT executive in Skelmersdale. Both have seen plans for sharp population growth scaled down. Central Lancashire at one time was intended to grow from 235,000 to 400,000. It has reached 258,000 in 17 years. Skelmersdale was destined to start from scratch and have a population of 80,000. It has

population of 80,000. It has reached 41,500 and now has a revised target of 60,000.

Both were conceived out of prosperity—Skelmersdale to act as an overspill area for Merseyside with new economic activity in a fresh environment; central Lancashire to act as a for focal point for new development age and some three percentage focal point for new development in the Lancashire of the post-textiles era. But both tried to grow in the years of economic

grow in the years of economic downturn.
Central Lancashire was really a development agency welded on to the local government machinery working in Preston, an old textile town; Leyland, a one company bus and truck town; and Chorley, a market



age and some three percentage points under the Lancashire

average.
There is a solid core of employment in Preston, a local government and police headquarters town. British Aerospace has plants in the area, people go outside the boundaries to work at British Nuclear Fuels, GEC Traction

one company ous and truck relatively. The company ous and truck is a big employer. Then there is town.

But Skelmersdale was in the literal sense a greenfield site, a mother 2,500 people. In the town pitched into Grade One agricultural land. Only now is nel, the job losses have been

A STONE'S THROW AWAY

Birtwhistle warns.

Much of the work, first of the development corporation, then of the Commission for New Towns, has been to create jobs, so that the dependence of the area on the big employers is lessened. New industrial estates have been set up, old mills have been converted and

nnits. Companies have come— BASF, Novotel, British Car Auctions, Servicescope—but they

are not queueing up to take vacant sites. The problem for Skelmers-dale, on the other hand, was that

absorbed. "To some degree, after the first rush of big com-buoyancy has been able to panies to the town, the smell of accommodate the job losses. failure began to pervade the But the unfortunate thing is that place. Courtaulds and Thorn we will not be able to make good came and went. The knock-on the losses this time," Mr Rightwhistle warms

"Skelmersdale was recognised by the publicity of its closures," Mr Leigh says. But Dunlop stayed. Garrett Airsearch stayed to become one of the town's biggest employers with 600 people.

Now the big employers include Nacanco and the Cooperative Bank with its

customer services bureau. Recently the National Farmers Union elected to put a local headquarters in the town and Regenterest, a company control-led by the Richardson twins property developers of Birming-ham—took over for a nominal price the 425,000 sq ft factory which once was Thorn's.

For Mr Leigh this is evidence that "we're well on the way to pulling out of the trough we were in." One reason for this is that the CNT is stressing the virtue of Skelmersdale as a distribution centre—probably what attracted the Richard sons and has thrown out the old development corporation policy of emphasising only

But the fact remains that nnemployment is double that of Central Lancashire. The National Audit Office last December put it at 21 per cent. Local estimates have it higher at 24-25 per cent. This is the town's biggest problem, accor-ding to Mr Leigh, noting "social problems that come from lack of spending power." Skelmersdale is no more iso-

lated than Central Lancashire from the economic movements outside. Half the working population goes outside the town to work and is roughly balanced by the number coming

of all the source of the sourc



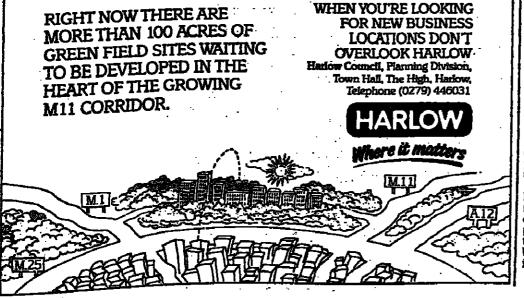
#### BASILDON · EAST KILBRIDE · HARLOW · IRVINE LIVINGSTON · NEWTON AYCLIFFE · PETERLEE

We are pleased to have added to the successful amenities of these new towns by the provision of shopping centres and shops

LAND SECURITIES PLC

Assets exceed £2.5 billion

Devonshire House, Stratton Street London W1X 6BT



"green wedges" which feature of the town. Harlow has been

country."

required.

#### The South East

# Wider role in a prosperous region





PROSPERITY BRINGS planning problems as the South East of England is discovering. The of England is discovering. The prosperity pattern—particularly marked to the west of London, less so to the east—is pretty well reflected in the ring of New Towns around the capital.

All except Milton Keynes were designated in the immediate post-war period. Located within 25 miles of London, their main corpose was to provide

main purpose was to provide overspill facilities for the population growth of the capital

population growth of the capital
and new homes to replace those
lost during the war.
The policy also was to provide
work in the towns where people
had been largely successful,
although unemployment in
some of the New Towns is still
higher than in the South East as
a whole.

had been re-located. In this it cient land was made available has been largely successful, although unemployment in some of the New Towns is still higher than in the South East as a whole.

One of the main points of interest today is where the towns see their future. Apart from Milton Keynes, their development corporations have all been wound up and the assets transferred to the Commission for the New Towns for disposal.

At the same time, the councils

At the same time, the councils 24,000—were transferred to the are taking a much more active council when the Commission role in planning for the next moved in six years ago. About 20 stage of development of their towns.

towns.

Harlow, which celebrates its fortieth birthday this year, has just published the consultation affect these London ring towns draft of the plan which will take and the efforts being made to the town into the next century. the town into the next century.

Communications improvements, notably completion of the M25 orbital motorway, 10 minutes from Harlow, and the M11 between London and Cambridge of the M11 between London and Cambridge of the M11 between London and Cambridge of the M12 between London and Cambridge of the M12 between London and Cambridge of the M13 between London and Cambridge of the M12 between London and C bridge, is pushing the town into a new and expansionary phase of development. The designa-tion of nearby Stansted as the

Mr Harry Platt, Harlow's general manager, says: "From being an insular town, we are finding ourselves with a new role in a prosperous region."

third London airport also puts new pressure on Harlow to pro-vide homes and industrial

Housing was the main reason for the New Town going to Harlow in the first place, and it is housing which has been the main constraint on the town's

The Harlow master plan, drawn up by Sir Frederick Gib-berd, the architect and planner, provided for a target population of 60,000. This was later amended to 80,000, to be housed in neighbourhood clusters with a primary school at the centre.



lead to good quality jobs in the town. As it is, about one-third of residents work outside, of which 40 per cent commute to London. Industrial and commercial interests in the South East are

focusing more strongly on Harlow, reflecting the growing interest in the eastern M25 areas. Land is still considerably cheaper at £220,000 to £240,000 an acre than just west of the town, and much cheaper than to the west of London, but Harlow is catching up.

The council is anxious to promote investment which will lead to good quality jobs in the

town as a regional shopping centre—plans for a new town hall, are included in the consultation

sure—the mix is the same as 40 years ago, but the planning challenge in the second phase of the South East's New Towns like Harlow is different and perhaps iust as difficult.

ere carl the Co

diagely est

te New ... and FINASS.

## Town that had to survive steel

CORBY, in the Midlands, has had a more chequered history than most of the New Towns. It was designated in 1950 and the development corporation was set up largely for two reasons: to provide a better living environment for the thousands of work-ers employed in the steel indus-try, and to foster alternative types of employment to steel.

It was not until 30 years later that the full force of the second reason came to be tested, to an extent that must have met the worst fears of the original planners. The British Steel Corpora-tion's closure of the integrated steelworks left BSC Tubes the sole employer of steel labour in

More than 6,000 were made redundant by BSC, presenting Corby with the huge task of finding replacement jobs. Corby had just been transferred to the Commission for New Towns, and a programme of asset disposals, in accordance with Govern-ment policy, had been drawn up, when the blow struck.

A joint approach to the prob-lem was vital. The development committee was set up from the sion, and a director of develop-ment appointed. In 1981, Corby became the

first enterprise zone in Britain. This designation put industrial development outside normal planning regulations (other than building regulations) and granted companies setting up in the area a 10-year rates holiday from 1981.

Corby had several advantages over towns in other parts of Bri-tain struck by similar disasters. It is close to major road networks (and links to the East Coast ports will be improved substantially with the expected go-ahead for the MI-A1 link).

go-ahead for the MI-AI link!
It also enjoys pleasant rural
surroundings—an attraction to
incoming executives in particular. It is the closest area to London which qualifies for regional
development grants and regional selective assistance. And, as a steel closure, it

And, as a seed closure, it became eligible for European Community grants to facilitate clearance and reclamation of the land on which the old steelworks stood.
Rapid rehabilitation was essential. We had to show the people of Corby that the steel

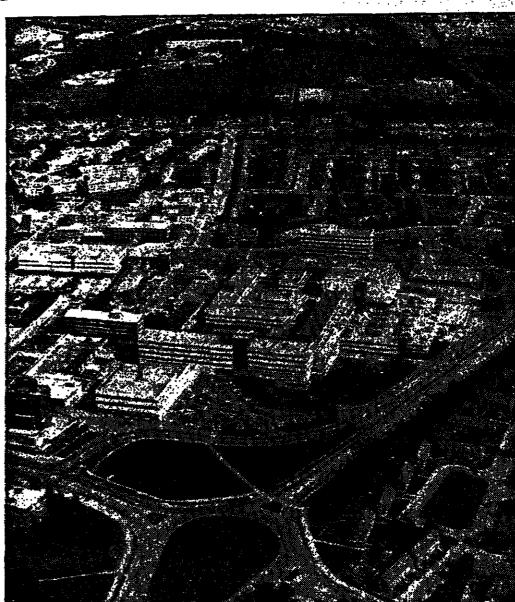
people of Coroy and to give them the confidence that a new era had begun," says Mr Graham Lloyd, executive officer of the New Towns Commission at

Corby.

We provided the land (the development body bought 300 acres from BSC most of which formed the base of the enterprise zone), bricks and mortar, and advice." As far as possible, it aimed to

become the "one-stop shop" where industrialists considering Corby could obtain all the information and help they needed, along the lines of the development agencies in Scot-land and Wales.

which became particularly ing on the skyline outside Corby apparent to the west and north will have been ploughed into of Corby. Hardly a town in the region was unaffected.



Corby had succeeded in bringing about 6,000 jobs to the area, just about making up for the loss from the steel industry.
Unemployment is high at
around 18 per cent, but it is
going down and is now considerably lower than it was immediately after the closure. Corby could not afford to identify sectors on which to concentrate its promotion efforts.
Jobs were needed, and quickly.
There have been disappointments, notably Commodore computers, which came, and went when its market collapsed.

Note than 60 per cent of the More than 60 per cent of the business base, however, is industrial—much higher than in

other parts of the country.
Furthermore, the very diversity
of that base—in contrast to that
formerly—affords hope that there will never be a repeat of closure on the scale of 1981. The Commission has invested about £10m a year in Corby

since that date, preparing sites, and building factories. Some have since been sold, some-times to tenants. land and Wales.

It was a vastly different challenge for the Commission than when it had gone in to take over from development corporations in other New Towns. The corporations themselves had never had to face the disappear ance of the economic base of the community on this scale.

With the district council, the Commission became the driving

have since been sold, some-times to tenants.

But asset sales, which were the original reason for the Commission going into Corby, had to take a back seat for much of the time. So far, they have brought in £13m. Now, the emphasis is again being placed on sales as the emergency period of jobs provision draws to a close.

No date has been sold, some-times to tenants.

But asset sales, which were the original reason for the Commission going into Corby, had to take a back seat for much of the time. So far, they have brought time. So far, they have brought time. So far, they have brought to sales as the emergency period of jobs provision draws to a close.

With the district council, the provision draws to a close.

On mission going into Corby, had to take a back seat for much of the time. So far, they have brought time. So far, they have brought to fall the commission going into Corby, had to take a back seat for much of the time. So far, they have brought to fall the commission going into Corby, had to take a back seat for much of the time. So far, they have brought to fall the commission going into Corby, had to take a back seat for much of the time. So far, they have brought to fall the commission going into Corby, had to take a back seat for much of the time. So far, they have brought to fall the commission going into Corby, had to take a back seat for much of the times to tenants.

But asset sales, which were the original reason for the Commission going into Corby, had to take a back seat for much of the time. So far, they have brought to fall the commission going into Corby, had to take a back seat for much of the time. So far, they have brought to fall the commission goi

With the district council, the Commission became the driving force in attracting jobs. The timing was not helpful. British industry was embarking on a period of stringent alimming down. the consequences of remaining vestiges of steelmakters and the steeling outside Company.

#### **BABCOCK WOODALL-DUCKHAM**

the major British contractor for process and industrial plants worldwide

Located at Crawley, one of the most successful of the original New Towns, less than one hour from the heart of London yet 15 minutes from Gatwick international airport.

Babcock Woodall-Duckham designs. supplies and constructs plants for a wide range of industrial processes and clients.

For a professional and comprehensive contracting and Project Management Service contact:

Babcock Woodali-Duckham Limited A Babcock International Company

ley, Sussex Ri-10 1UX, England. Crawley (0293) 28765. Telex: 87317

PROCESS PLANT CONTRACTING-WORLDWIDE

FROM CONCEPT TO COMPLETION

Babcock



Stevenage, the first of the post-war new towns, has just celebrated its 40th Anniversary. And there's much to celebrate: a dynamic business community, excellent road, rail and air links, and the full range of social, sporting, cultural and natural amenities for its residents. A combination that makes Stevenage not only first but best!



Daneshill House, Danestrete, Stevenage, Herts SG1 1HN Call the Development Group on Stevenage (0438) 317021

وكنامن الأح



## Vital centres for industry arrivals

NEW TOWNS probably loom fulfilled, the emphasis has con-larger in Scotland than they do centrated purely on attracting in England. Though there are industry and stimulating econo-Scotland is located.

companies setting up in Scot-vidually, proclaiming their land choose to go to the New greenfield environment and the Towns, and such moves are financial incentives and ready-

Scotland's New Towns were created for two reasons: first, to strengthen the Scottish economy by "providing an environ-ment in which industry could expand and flourish" in the words of a Scottish Office policy statement of 1981; and, second, to take population and industry away from congested urban areas, mainly Glasgow but also other towns in western Scot-

These were the origins of East

These were the origins of East
These were the origins of East
Kilbride, founded in 1947, just
south of Glasgow; Cumbernauld,
established in 1955 to the northeast; Livingston set up in 1962 to
the west of Edinburgh; and
Irvine in Ayrshire, set up in
1966.
Glenrothes, in Fife, was originally establised in 1948 to
cater for coalminers moving
from western to eastern Scotland as mining in the west ran
down, but then became a centre
of economic growth anyway. A
project to build a sixth new
town at Stonehouse, near Glasgow, was abandoned in 1977.
No one doubts that the five
New Towns at the moment,
growing fastest thanks in part to
its geographical position nearly
its designation for the new
its geographical position per leaters of the new
in Glasgow. It has succeeded
in attracting many of the new
its geographical position per leaters of the new
in Glasgow. It has succeeded
in attracting many of the new
its geographical position in delayer
in New Towns have already fulfilled their function of providing overspill housing some 256,000 people live in them—the most (70,000) in East Kilbride, the ewest (38,000) in Glenrothes. In fact some of the criticisms of the New Towns policy in Scot-land is that in a country whose

population is slightly in decline anyway, they have drained too many people away from Glas-gow, leaving it somewhat empty. The same criticism is made, on a smaller scale, in respect of towns lying close to successful New Towns, for example Bathgate, which is to some extent overshadowed by Livingston. considered that inquirers do With the overspill function not want to waste time consider-

1948

1956

East Kilbride

only five of them they are sel- mic development. The New dom out of the news for long, Towns corporations comple-mainly because it is in the New ment the major efforts to attract Towns that most new industry in inward investment by the Scottcotland is located. ish Development Agency. They
No less than 80 per cent of sell themselves hard indi-

always widely publicised. Some made industrial sites they can of the older New Towns get offer. media coverage on the It is reckoned that the New media coverage on the It is reckoned that the New melancholy occasions when Towns have provided about plants have been in existence to the best part of a generation close down.

Control the New Towns get of the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when Towns have provided about plants have been in existence to the New melancholy occasions when the New m how successful each New Town has been. Each has its prestige companies—such as Motorola at East Kilbride or Rodime at Glenrothes but they have also

> ncentrate its activities in Livingston. Livingston is arguably the brightest star among the Scott-ish New Towns at the moment, growing fastest thanks in part to

> had their disappointments, such as the recent decision of Unisys

to pull out of Cumbernauld and

could barely match the number of jobs lost through the shutting down of other concerns. Not only does Glenrothes lack a dual-carriageway connection to the M90 motorway, but the town recently lost its special develop-

ment area status.
Its development corporation's latest report notes a sharp fall-ing off in interest and inquiries from prospective investors. It laments that Locate in Scotland, the offshoot of the SDA which deals with inward investment, does not now steer major inward investment inquiries towards Glenrothes "as it is

74.250

43,000

54,000

49,500

63.000

ulation at Present

70,000

38,000

50,300

40,400



grants are not available." Glen-rothes has a population of about

ding up the New Town corpora-

That exercise culminated in a

represented a slight scaling down of the population objec-tives of all the New Towns. For East Kilbride the winding up process would begin when 90 per cent of the designated population of 82,500 — in other words 74,250 compared with the present 70.000 — was reached. For Irvine, the youngest New Town, the trigger was put at 66 per cent, representing a trigger population of 63,000 compared with the present 56,400.

Mr Younger said he did not expect any New Town to reach its trigger before 1990 and that there would in any case be no winding up before that date. Further, the government would review the percentages and tim-

The Scots evidently like their New Town corporations (though there have been some criticisms of their secrecy in comparison with other local authorities) and they like the special services they provide.

The older New Towns are selling off homes to their tenants at concessionary rates: Cumber-nauld now has a level of home ownership of 43 per cent and East Kilbride of 39 per cent. Livingston is also selling

But Glenrothes, also par-ticipating loyally in this prog-ramme, said in its 1985-86 annual report that the effect of property sales, combined with that of building restrictions, was to leave the town short of houses in which to accommodate people who wished to move

### **FARLEY HALL, BRACKNELL SOUTHERN INDUSTRIAL AREA, BRACKNELL** SITE 72K/BRACKNELL

From the sale of the above assets

**AREA C, BASILDON TOWN CENTRE** 

## THE COMMISSION **FOR THE NEW TOWNS**

has realised a total of

£47,800,000

The undersigned acted as agents in these transactions and advises the Commission on the sale of its assets in Bracknell and Basildon.



Telephone: 01-930 9731

#### Housing

## Sharp variations in style and quality

The question is, how firm a foundation, if any, does this pre-judice have? The answer, looking at what is on offer in the range of new communities, is that it is decidedly shaky. Because the New Towns—now

giving way to another fashion, for Inner City redevelopment— are not the product of centuries of largely unregulated growth as are our cities, it is not within eir nature to be as various and individualistic as cities. They simply do not have the legacy. simply do not have the legacy.

But it is within the scope of different tastes might argue that it is within the scope of the New Towns to give their it is the other way about.

Corby, Skelmersdale and Telpart self-sufficient, it is a place ford can be as dreary as this of some vitality, and the housing country gets. On their day, reflects that.

Milton Keynes claims an average of the sufficient of the su

HOUSING IN the New Towns is uniform, unimaginative and dreary, many people say—particularly those people who do not see a New Town from one year's end to the next.

The question is, how firm a foundation, if any, does this pre-indice have? The anguser look. with their greens and car-free designates, succeed in delivering tion. The pleasant homes for all kinds of people, the more they displease the fashionably-minded.

Harlow, for instance, has some it means far better homes than of the worst low-rise are on offer anywhere else and accommodation and some of the best high-rise that is to be found—although people of For many, Milton Keynes

able homes than otherwise country gets. On their day, might have been possible.

Elsewhere, the prevailing aesthetic, it sometimes seems, is as anywhere. In either case, the

SK KEITH SUMMERBELL FOR DETAILS OF OUR EXCITING

DIAL IOO AND ASK FOR

RELOCATION PACKAGE.

Though this can result in acres of housing representing the ruling achitectural fad of What is on offer in housing in the day, at best this desire to the New Towns varies sharply in quality, not only from town to town but within the same place. Harlow, for instance, has some it means far better homes than

best high-rise that is to be dings.
found—although people of For many, Milton Keynes
different tastes might argue that encapsulates what a New Town

age 2,500 completions every year for the past five years, about 1 per cent of the national total. There is a wide variety of home, both in style and tenure— including some shared-owner-ship homes, for example.

The balance has swung away

from the building of homes for and there are no fewer than 40 developers at work on 36 sites.
The development corporation's exhibiton last summer of
50 of the most energy-efficient homes in the country attracted considerable attention. These

Perhaps the strongest guide to Milton Keynes' enthusiasm to provide variety of housing is its self-build programme, where plots are provided, with main services, for individuals or families to put up their own

Advice is provided for those who need it and the full cost of Such moves are bound to attract both a greater diversity of housing and people. Indi-viduality, if sometimes at bay in the New Towns, is now reasser-ting itself strongly.



Scotland's winding-up formula-1984

71

82,500

55,000

70:000

70,000

95,000

The right blend to fuel Nissan's success.

Vashington

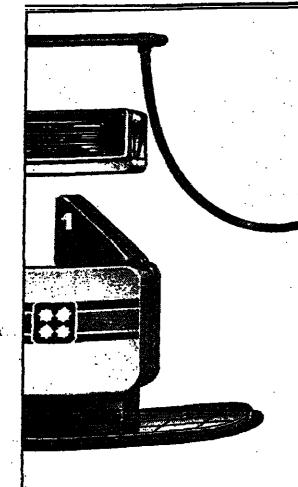
Washington offers a high standard of facilities and infrastructure, a willing and highly motivated workforce and a superb distribution network of road, rail, air and sea terminals that ensure companies like Nissan U.K. Limited are always ahead of the competition.

If you want to be sure that your business is never left standing contact Norman Batchelor at Washington Development Corporation, Usworth Hall, Washington, Tyne and Wear. Or ring him on (091) 416 3591, Telex 357210 DC WASH G, Fax (091) 417 8268.



Washington.Profit from our experience.

and and places and property of the following the second distribution of the following the second second of the following the second sec



100





#### **New Zealand Dairy Board Finance Limited**

U.S.\$100,000,000

8 per cent. Guaranteed Bonds 1994

unconditionally and irrevocably guaranteed by

#### **New Zealand Dairy Board**

(A body corporate constituted by the Dairy Board Act 1961 of New Zealand)

Issue Price 100¾ per cent.

The following have agreed to subscribe or procure subscribers for the Bonds:—

S. G. Warburg Securities

**ANZ Merchant Bank Limited** 

Citicorp Investment Bank Limited

Banque Paribas Capital Markets Limited

Daiwa Europe Limited

Kidder, Peabody International Limited

Mitsubishi Finance International Limited

Salomon Brothers International Limited

Bank of New Zealand

**Bankers Trust International Limited** 

Chase Investment Bank

**DKB International Limited** 

Commerzbank Aktiengesellschaft

Lloyds Merchant Bank Limited

Saitama International (Hong Kong) Limited

Toyo Trust International Limited

Application has been made to The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the Bonds (in the denomination of U.S.\$5,000) to be admitted to the Official List. Interest is payable annually in arrear on 15th April, the first such payment being due on 15th April, 1988.

Particulars of the Bonds are available in the Extel Statistical Services. Copies of the Listing Particulars may be obtained during normal business hours on any weekday up to and including 2nd April, 1987 from the Company Announcements Office of The Stock Exchange and up to and including 14th April, 1987 from:—

> S. G. Warburg Securities, 1 Finsbury Avenue; London EC2M 2PA

> > 31st March, 1987

## **APPOINTMENTS**

## Chairman for W. A. Tyzack

on may 1. Mr But Pacombe, chairman and chief executive of Rea Brothers, the company's merchant bankers, has been invited to join the board and to become non-executive chairman in succession to Mr Husbac nan in succession to Mr Hughes. Mr Nigel Wheateroft will retire at the annual meeting in Decem-

at the annual meeting in December and will be invited to become president. Mr Keith Gwynne Jones, Gild's representative on the board, has resigned following Gild's disposal of its interest. Mr John Turnbull and Mr Don Stain, both senior executives, have been invited to join the board from May 1.

MORGAN STANLEY INTER-NATIONAL has appointed Mr Michael Armitage to head its London electronics / technology research effort. He joins from Joves Capel and Co where he was a member of the electronics

Mr Michael R. Legat has been appointed a director of THE COPYRIGHT LICENSING AGENCY replacing Mr Peter Dickinson who has resigned for

SINTROM has appointed Mr dnan Al-Falsh as managing irector, and to the board of its dependent computer mainten-

AGRICULTURAL GENETICS OMPANY has appointed Mr izy Spreadbury as director, seds and business development, new post. He was managing irector of Twyford Plant

WATNEY MANN & TRUMAN
BREWERS has appointed Mr
L. D. McKee to the board as
personnel and administration director. He joined WMTB in June 1988, after holding person-nel posts at Mobil Oil Company and Leyland Cers.

Tower Hamiets councilior, Mr Jonathan Mathews, has joined the board of the LONDON DOCK-LANDS DEVELOPMENT CORPORATION. Councilior Mathews represents Blackwall Ward on the Alliance-controlled Tower Hamlets Council and is a member of the Isle of Dogs Neighbourhood Committee. He is a tutor at the Architectural Association in London and lives to the north of the Isle of Dogs in Tower Hamlets' Docklands.

Mr D. H. L. Hopkinson has been appointed a director of THE WOLVERHAMPTON & DUDLEY BREWERIES.

Senior management changes have taken place at KAVII, manufacturer of Primula cheese spreads and Kavii crispbreads. Mr Peter Bone has been

W. A. TYZACK'S chairman, Bagnall is now financial director. We have the state of the past four years.

Bagnall is now financial director. Faul Morris has taken over after serving as personnel director for the past four years.

LONDON INTERNATIONAL GROUP has appointed Mr A. P. Thomas as managing director fine china based at Worcester.

DATA LOGIC, a Raytheon company, has appointed Mr Richard Osborne to the board as director of its worldwide finan-cial systems business. He joins from Aregon, where he was

Mr John Funnell has resigned as a director of BRINT INVEST-MENTS and certain of its subsidiaries, including WestAvon, of which he was deputy chairman and joint managing director. Mr Jonathan Bradley becomes sole managing director of WestAvon.



Sir Kenneth Corfield, who has become chairman of Dis-tributed Information Processing, a City-based independent micro-computer company. Sir Kenneth, former STC chairman, is partly funding DIP's expansion

HARLAND SIMON has appointed Mr J. P. Reynolds as sales director. He was sales

NATIONAL FREIGHT CONSORTIUM has appointed Mr Malcolm Ian Peacock as non-executive director, following the retirement of Mr Frank Law. In 1982 he became financial director of the Habitat/Mothercare Group and was appointed as a non-executive director of the Store-house Group in 1988.

Mr Paul Lipscomb, who loined the Borthwick group in 1985 as director of business development, has been experiented a director of

has been appointed a director of BORTHWICKS.

HULLARDS has appointed Mr

Robert W. Stott as a main board director with a prime responsibility for distribution. He was formerly deputy managing director of Wm Morrison Super-

WATERLOW PETTY BUSI-NESS FORMS, part of The British Printing and Communica-

Brian Pettinger has been appointed group managing director of BPCC's Security and

director of BFCC's Security and Printing Group and although he remains in his position at Leeds-based Waterlow Petry, the commercial director for Charles Mills has been appointed deputy managing director to assist in the day-to-day running of the company. He will be supported by fellow director for Colin Cansileld, sales director, Mr. Bavid Thempson, financial director and Mr. Alea Thempson.

director and Mr Alan Towers.

director Mr Gorden Lindsay Taylor has been appointed finance director of IMI from July 1. He succeeds Mr W. Brittain, who is retiring. Mr Taylor was cited accountant Mr Louis Lawrence has been appointed chairman of Maidenhead-based contract packer, BOXALL.

SCHERING HOLDINGS has made the following appointments from April 1. For Terry James becomes chairman of Schering Health Care with Mr Mike Wallace appointed managing Duncan Stables succeeds -Wallace as finance director

IMI finance

Mr Peter B. de T. Rocks has been appointed joint menaging director of EXECUTIVE ACTION.

Y. J. LOVELL (HOLDINGS) has made the following appointments from April 1. Mr Alum Rees becomes managing director of Rendell Partnership Developments at Devizes. He joined the group in 1986 as director and regional manager of the Western and Anglian regions of Rendell Partnership Developments. Mr Alan Miller, the regional manager at Altrincham, becomes a director. Holdings board director Ted Wakeham, who is managing director of both Lovell Partnership and P.R.O.B.E., becomes chairman of Rendell Partnership Developments. At CENTRAL INDEPENDENT At CENTRAL INDEPENDENT
TELEVISION, following the sale
by Ladhroke of its skeepholding
to Carlton Communications. Mr
Jahn Jackson has resigned at a
director of Central. Mr
Babert
Fallis, group managing director
of Carlton Communications, has
been appointed as a non-executive member of the hoard. Mr
Phillis is a former managing
director of Central.

appointed an executive director of ERA TECHNOLOGY. He is manager of the power engineering division. Dr Martin Desvari, manager of the engineering materials division, also becomes on executive director. Mr Jack Denald is made an associate director. He is manager of the computing technology division.

Mr Hugh Belland, managing director of Schroders Asia, Hong Kong, has been appointed chief executive of Schroders Australia. He is succeeded in Hong Kong-by Mr Nick MacAndrew, a senior-director in the corporate Spane. director in the corporate finance-division of J. HENRY SCHRODER WAGG & CO in London.

Mr Dentils Simmons becomes managing director of CITY & METROPOLITAN BUILDING SOCIETY in succession to Mr Geoffrey Gass, who retires at the FERGUSON INDU INDUSTRIAL Mr David Deller, managing director of Harkwell Adhesive Mr Mike Pill has been appointed finance director for LEO BURNETT LONDON, and regional finance director for Europe and the Middle East. Labels, Mr John Gilbert manag-ing director of Harkwell Cartons and other printing subsidiaries; and Mr Teny Hall, co-founder and managing director of Atlas House.

3

The second of th 1003

- 15 A

OH Page \$20 mg 1

EMI RECORDS (UK) has appointed Mr Roger Le Comber as its international director. He joints the international division in London after 18 years with EMI Music (South Africa), where he has held a variety of executive positions within the sales and marketing fields of the record, audio merchandising and wides divisions. appointed Er John Livingston as financial director. He was finan-cial director for William Leech. group company, secretary. He David Duckham, former British Lions and England Rugby Union player, has been appointed marketing director. He was meaning the company of the c

JVC didn't have to choose between commercial and investment banking. Choosing Chase gave them precision in both.



When this lapanese electronics giant chose Chase back in 1978, they did so for very good commercial reasons.

In those days, they simply wanted expert commercial banking services. And as a US bank with a vast global network, we were uniquely placed to handle their cash flows in the United States - their biggest center of operations outside Japan.

They could also use our international reach

for their overseas trading activities and for the financing of overseas subsidiaries in Europe. Scandinavia, the USA and Asia.

But, when they decided to tap the international capital markets, happily they could also turn to Chase. Because at Chase we were able to provide a truly effective integration of commercial and investment banking expertise to deliver more comprehensive financial solutions.

Most recently we helped them arrange a

Euro-commercial paper programme to the tune of US\$50 million. It went like dockwork because of our strength and experience in the Eurosecurities market.

For instance, we are a market maker in over 600 issues trading in excess of US\$8 billion a month. So naturally we have our finger constantly on the pulse of investor demand. And when the time is right, a powerful distribution capability to tap that demand - in every major

financial centre around the world.

This total global banking capability integrates size, international network and highly specialized industry knowledge with the broadest range of investment and commercial banking products It is what sets us apart from other banking institutions in the world.

. So, no matter how complex your financial deals may be, one thing is simple. Which bank to choose.

#### Clore Gallery/William Packer

## Turner's gift reunited

Queen will give her official blessing to the Clore Gallery, the new Wing of the Tate that opens its doors to the general public next week. It has been built, with funds most gener-ously given by the Clore Foundation, with the express purpose of providing all the works that the nation holds by the terms of the Turner Bequest—oil paintings, drawings and water-colours, finished and unfinished—with a proper and unfinished—with a proper and adequate home of their own at last, it may not be quite the home that Turner himself might have wished for

nance

1

himself might have wished for, not even entirely suitable, but fairness forces us to admit that it offers at the very least, and not before time, a true amende honorable.

The history of the Bequest is, I am afraid, altogether cliarateristic of the British When wearing their official Treasury hat, they seem peculiarly resistant to generosity, especially when it concerns Art. From at least the time of the Lawrence collections offered in the 1830s to the Chatsworth folios in the 1830s, the record of mean-spirited circumspection and missed opportunity is as long as it is misserable. But sometimes we get rather more than we bargained for and much more than we deserve. much more than we deserve. Perhaps because it seemed that Turner's fortune of some £140,000 would come along with all the work and provide for the special gallery he signulated, on his death in 1851 the gift was accepted. But the Will was rouddled, imprecise and contradictory and hotly contested by dictory, and hotly contested by

Tomorrow afternoon The were stuck not only with the Department of Prints and Draw-ucen will give her official 100 or so finished canvasses that ings of the British Museum lessing to the Clore Gallery. Turner had principally in mind since 1931. If the Turner had principally in mind since 1931. If the Turner had principally in mind since 1931. If the Turner for exhibition, but also with 180 Society was wrong-headed to more that were unfinished, some agitate for the removal of the 19,000 drawings and water-colours, and the problem of what to do with them all.

The National Gallery was the first institution to be charged with the duty of doing what it could to faifil the terms of the Bequest, though always rather more in spirit than in fact. It was not until 1910, when the Daveen galleries were given to the Tate for the purpose, that anything like a proper gallery was made available to serve the Turners alone. There the bulk of the oil paintings have remained on show ever since, though the pressures of space have grown increasingly intolerable since conservation and retrieval—and the modern eye for the study and the sketch-have steadily increased the number of showable works. The Tate has always made the best of it, which over the years has been a very good job indeed. Every practical disadvantage has been overridden by the constant visible presence of Britain's greatest pain-ter at the heart of the gallery's historical collection of British Art. For Turner now to be shown anywhere but with his peers close at hand is unthink-

But if the Tate is clearly the proper place for him, the awkward fact remained that he could only be shown imperfectly there, lacking a most important part. The drawings, sketchbooks and water-colours had been kept the family who took the case at Millbank, but removed from through the courts and, in 1856, won most of the money back.

Thus it came about that we and have been in the care of the

since 1931. If the Turner Society was wrong-headed to agitate for the removal of the drawings and paintings into the hands of a new and separate institution, it was entirely right to argue for their reunion, and its energetic campaigning in the later 1970s certainly trated a few minds.

At last, by the generous inter-vention of the Clore Foundation, they are indeed together, the mass of drawings available upon application for supervised inspection in the Study Room, and all the paintings but for the handful away on loan or undergoing restoration, on open show in the principal or reserve galleries. The nine main gal-leries, one of them given over to water-colours, are all on one level, reached either by stairs from the Wing's own entrance or by directly from the galleries of the Tate proper. The three reserve galleries and the Study Room are above and to

For the opening exhibition

the Keeper, Andrew Wilton, has

filled the eight galleries with a loose chronology of paintings which both points up the several aspects of Turner's art, its preoccupations and development and, by the judicious relation of finished to unfinished works, illuminates the nature of his practice. It is always elegantly done and often adventurous. Half of the Venice room, for example is hung with fully-worked statements — full-dress as it were in their frames — while the other half is hung with the lightest, ziriest, most magical spectrof starts and studies, all fault.



Turner's "Shipping at the Mouth of the Thames"

unframed. Throughout, Wilton establishes the opposition in Turner's nature between the great history painter he most wished to be, steeped in the work of Claude and the Dutch masters, and the inspired, intuitive Romantic, enthralled by Nature and the pure act of painting. The full sequence of galleries is enthralling simply for the work it contains, and made all the more so by the loan of seven great works from loan of seven great works from the permanent collection of the National Gallery, including Rain, Steam and Speed, Ulysses deriding Polyphemus and The Parting of Hero and Leander. It all looks as well as it possibly could in the circumstances: that it could have been even more spectacular is hardly Wilton's

Any full critique of the archiupon himself full responsibility for matters inside and out, he insisted upon having the final word on fitting out and decora-tion. The advice and practical advice of the curators were made clear enough, but we live in an age when it is not the customer but the architect who is always right. Thus walls that could have been higher are not high enough and great paintings must be hung too low, lower cer- 1960s and exposes his judgment

Any full critique of the architecture qua architecture I happily leave to my colleague,
Colin Amery, but even so there
are things to say. The Clore
Gallery commission went to
James Stirling, who currently
Bur Stirling has insisted upon a
enjoys the weightiest of international reputations. Taking
upon himself full responsibility
for matters inside and out, he
only to walk up to his reserve but dulling and sterile. He has only to walk up to his reserve galleries, which have been allowed a hot Indian Red for the walls and a dense hang, floor to ceiling, to see how wrong he was. As for the arch vulgarity of his engrance lobby and stair-way, where he has let himself go with pink, green and purple unbindered by any immediate duty to works of art, it dates his taste precisely to the middle tainly than Turner himself to serious question.

#### Max Loppert Michelangeli turned up for darkly contained, with fierce his Barbican recital on Satur- outbursts, in the minor sections, hesistantly lulling (with the

Michelangeli/Barbican Hall

هكذا من الأحل

ever it is continu

tered.)

day, as he had earlier for the two "Emperor" performances with the LSO, and as he has right hand ever so slightly drag-ged after the left) in the major. And it was here that reminders on almost all the few occasions in recent years when booked of exactly what constitutes great for a London concert—his repu-tation as one of the outstanding playing began to come thick and fast: virtuosity transmuted ancellers of music is beginning detail perfectly graced yet sub-mitted to the larger purpose. to look a trifle exaggerated, and three cheers for that. It is Michelangeli is not, never impossible to exaggerate our good fortune in being able to lure the great planist here at all (seldom, admittedly, in com-parison with other leading

has been, one of the "sponta-neous" planists. His readings of the two books of Debussy Images have not altered a whit since he set them down on a memorable DG disc. The grave, players); if there is something he likes about playing in London, let's pray that whatcontemplative calm of "Hommage à Rameau ": the lavers of pictorial resonance and distanc-ing effects achieved in " Mouve-ment" and "Poissons d'or"; Saturday's recital surpassed all expectations—high enough, in all conscience. I confess to the command of Debussyan "otherness"—all this was on Saturday as it is on record, and yet infinitely more thrilling, because of the quiet thrill of the course of the saturday the the misfortune of generally struggling with strong attrac-tion-repulsion sensations during the first five minutes of any the first five minutes of any Michelangeli appearance. The greeting to the audience is always so deterringly curt; and the sound at the keyboard, immediately recognisable, indetibly stamped with the personal print of a master, always seems so forbidding. "Aloof," "impersoual," even "glacial" are the epithets that have recurred in many Michelangeli evaluations; and, in the opening movement of the Chopin B flat the sound as it reached the "live" listener, the perfect control of dynamics. The Barbl-can acoustics may dim the full flood of a pianist's forte, but the width of that dynamic range is accurately conveyed.

After the interval Michelangeli, the Ravel planist non-pareil, played the Valses nobles et sentimentales and then Gaspard de la nuit. The first novement of the Chopin B flat minor sonata, they tended to be repeated by rote. (It was here-abouts that the few finger-slips of the evening could be regiswas a marvel, a delicately widening and contracting ripple of rhythmic impulses austere, cool, limpid. The second was a miracle: merely to describe it properly requires paragraphs and pages. "Scarbo" is, of course, the virtuoso pianist's ultima Thule, but never before in my experience But then the particular point and character of his mastery began to take hold, and I was soon as overwhelmed as ever by the majestic sweep and purity of the playing, the blue-flame distinctness and clarity of has it been not merely con-quered, but subjugated—the black menace of bass-register tremolos, exactly measured and focus, the grand disdain for rococo gestures and audience ingratiations. The centre of the ratiations. The centre of the calibrated, can stand as an opin performance was placed emblem of the whole terrifirmly in the Funeral March— fyingly brilliant achievement.

#### Caballé/Covent Garden

#### **David Murray**

Montserrat Caballé appeared and more voice—which seemed for her recital on Sunday in to leave less for Spontini. That two resplendent gowns, and was a pity, for in "Toi, que je with Miguel Zanetti at the lalase" Caballé went some way plano. As is her wout, she reached her full vocal stride only some way through the evening — but the Royal Opera acoustic for singers, and she had chosen to forgo even the backing screens that other recitalists there have used as defence. One hoped vet series

It was enterprising but also pursling that Miss Caballé should devote most of her first half to arias — relentlessly da capo — from a deeply forgotten opera, Vivaldi's L'Olimpiade. The explanation was revealed later, with shy heaves of delight: Barcelona and the ves? Neverth line had remained only an elegant sketch through the first few arias, with random touches of colour (and no attempt—or no more than Vivaldi madeto distinguish the prescribed emotions except in the most general way). Zanetti, always gallant, pretended to be sight-

toward capturing the noble simplicity (albeit in lamentable French) which Berlioz admired in La Vestale, and in an aria from one of Spontini's German

defence. One hoped yet again that among the debates about and shadings were on full diswhat the rebuilt house ought and oughtn't to include, some settings there was lovely sound and oughtn't to include, some settings there was lovely sound and oughtn't to include, some settings there was lovely sound as well as feeling though a what the rebuilt house ought and oughtn't to include, someone is insisting upon volce-friendly alterations in the auditorium itself. (My suspicions linger upon Beaton's plush.)

If was enterprising but also sort of way). She made Re-cuerdos de juventud, a new song-set composed for her by Martínez Palomo, altogether charming, and some Obradors songs — same all-purpose Spanish idiom but better focused—more taking still. The recital melted amiably into en-cores and near-cabaret, which Caballé loves doing. There ought to be a whole repertoire to accommodate what popular "classical" artists like her do unbuttonedly well; it is remiss of our century not to have pro-vided one. In particular, the zurzuela should have grown up to make room for the likes of eading. Carreras and Miss Caballé, in-The last three Vivaldi stead of leaving them to forage numbers got closer attention, in the French and Italian past.

average punter out for an afterharassment

in handouts from the protestors, had nothing to do with Arts Worldwide, the organisation responsible for transforming the empty Roundhouse shell into a bustling Chinese street market for four days—at its heart the marquee which housed the Fujian puppets. If it seems a little ironic that a building with a potential unique in London for staging large scale spectacular work should reopen with an art form that is just the reverse, this festival made the best of the situation, inviting Chinese artists from all over Britain to contribute sideshows on a stage to one side of the marquee, while around them vendors touted wares that ranged from Chinese parasols printed with Walt Disney cartoons, to cheap imitation hand

to banish the cheap, cheerful and acoustically inadequate James Levine in Franco Zeffirelifs them. Their leader, Yang Feng, production with Eva Marton, Placific them. Their leader, Yang Feng, is the fifth generation of a pup-

city gate-keeper by posing as a troupe of itinerant acrobats: the cue for an impressive dis-play of manual virtuosity in which the lavishy dressed puppet acrobats fight, juggle, per-form ribbon and lion dances, while the gate keeper is poured wine from a minute pot and smokes a tiny pipe (the liquid and the smoke are real).

The fine detail in which the puppeteers work, and the fact that they had to be partitioned off from a largely commercial market, seemed merely affirmation that this is not what the Roundhouse straid be used for. It is a pity that this marvellous space should be so long unexploited.

#### 1987 Reith Lecturer

Composer Alexander Goehr themselves produced a show of will give the 1987 BBC Reith Lectures, six half-hour talks which start on Radio 4 in November. He is the 40th Reith Lecturer and this is the first time music has been the

#### Béjart Gala/Théâtre due Châtelet, Paris

#### **Clement Crisp**

All is grist to the Bélartian bits, and the effect is of sweat-mill. No theme is too large—scaked effort and classic indisindeed, the larger the better cipline. The public adores it. —and no creator too prestigious to be subjected to the Béjart treatment. Life, Death, Art, Love (the capital letters are very necessary in these circumstances) join the Great Names of art and history in this choreographic ratatouille. The Ballet du Vingtième Siècle is just installed at the Châtelet wonderful stage for dance
with a repertory which will
bring Béjart's recent Malraux,
or The Menamorphosis of the
Gods, with a Beethoven score, undoubtedly to wow the Parision public. On Saturday night what I find to be the best and worst of Bejart was on view at a gala, ecstatically received, and ecstatically danced by his company and by some distin-guished guests.

Féminin-Masculin opened the evening is a collage of Béjart choreographies that supposedly hymn the differing potential of male and female dancing. A thumping platitude is, characteristically, handed to the audience as if it were Mosaic Law. The Liszt Rigoletto fantasy is played in a glittering recording to introduce Grazia Galante and Michel Gascard. and allow a chorus of women to strut and flash over the stage, some bare-foot, some on point. Then 28 chaps arrive, form a seated semi-circle, clapping rhythmically while "traditional" music (but traditional where?) in one of Béjart's most cogent of drums and cries urges them works, The Song of a Wayfarer. on to various sorts of display. It feeds, of course, from the Arms flail; trick-steps are flung emotional density of Fischerat us. The lads wear those white Dieskau's recording of the harem trousers that seem Mahler songs—nothing can specially cut to concentrate dominate that—but the extreme

scaked effort and classic indis-cipline. The public adores it.

Mephisto-Walzer that follows is very odd indeed. The Liszt Dance at the Village Ima is played in a hyperactive orchestration, and Gil Roman appears as Mephistopheles. But is Lynne Charles, brought in on a mortuary trolley under a white sheet and not looking her best in all-over tights, supposed to be Marguerite? She behaves for the most part like an auto-maton. The programme note invokes Liszt, Byron, Lautréa-mont, Mary Shelley — who just happened to be passing through Béjart's imagination at the time, I suppose — and the final trick finds Roman replacing Lynne Charles as the corpse on the trolley. The relevance of it all is above my head, but the dance is Brummagem stuff.

There is also little to say about the choreography of the succeeding Greek Dance (from Sept Danses Greeques), but everything to admire in Fernando Bujones' account of it. Watching Bujones after the brash activities of the Béjart men, one sees how classic refinement, purity of diction, elegance of means, may ennoble the stage, joined by Haydee in a white dreaming and re-arranging chairs and in greeting imaginary guests. The Triston liebethe merest text. Bujones dances beautifully - in every sense of the word — and we are content.

Superlative dancing, too, from Richard Cragun and Eric Vu-An upon buttocks and other bulgy concentration of Cragun's view Roars of applause.

of the Man, and the complemen-tary clarity of Vu-An's account of the companion, reveal a vivid contrast between mature power of style and a still youthful grace. The result is infinitely touching and potent.

About The Life and Death of a Human Marionette I can but say that Jorge Donn appears first in the full panoply of a Kubuki actor, but is gradually relieved of these accourtements after some moments of oriential roguishness. Stripped down to baggy pants, a pink wig and a clown's nose he is then allowed to rampage as some cloying utusic by Nino Rota wends its noxious way. He has a thoroughly bad time. The programme wisely keeps its mouth closed about this incident. The gala ended with Les

Chaises, an adaptation of Ionesco's play in which the protagonists are Marcia Haydee and John Neumeier. A stage littered with chairs, yet more chairs pendant from the flies. Neumeier in a black suit stod rages away. Neumejer speaks some of the Ionesco text. The sense of despair generated by this absurdist Tristan and Isolde is haunting, almost tangible, and Neumeier's impersonation of a bewildered, agonised old man is exactly matched by Haydee's beauty and by her activities which veer between the glacially detached and the frenetic, Good Béjart; marvellous theatre; astounding interpretations,

#### Cleveland Quartet/Wigmore Hall

#### Paul Driver

ally in the upper parts, and most notably at the outset of the third movement's Presto trio-section — lacked finesse. The general complexion of the sound was not unduly enticing from the opening bars, where ultimately, perfunctoriness.

was done with a certain rich sway-a sense of its abundance was firmly conveyed, and ness,

The Cleveland Quartet's programme at the Wigmore Hall on Saturday night (first of two the string quartet gave there over the weekend) was simply composed of two huge masterpleces, Beethoven's Quartet in E flat Op 127, and Schubert's sense that a profound recreative attempt was being made by the latter.

The former did not fare particularly well. The performance was robust but roughed, and intonation—especially in the upper parts, and most notably at the outset of the string melody in sive sound, full of vibrato and prone to become raucous when, by the first violin brought out his high-quiet G-string melody in warm tremulous phrases. The performance of the Schubert work gained palpable impetus from the presence of Ralph Kirshbaum, whose subtle articulation and beauty of tone were immediately apparent whether the quartet as it addressed itself to this sublime music, and not few expressive opportunities (the efflorescent counterpoint near the end of the Adagio) were passed over.

The last movement, however, was only dimly surmised. As was only dimly surmised. As before, the keynote was robust-

#### Level 42/Wembley Arena

#### Antony Thorncroft

world can shed that hatte dog look. Paul McCartney never quite got over the fact that John Lennon grabbed the lead guitar. and that other famous bassist, Sting, was always more of a movie actor than a musician. Now Mark King of Level 42 has proved that the bass player can be the star. A small man with a large instrument he held Wembley in thrall on Sunday night with the case of a Mussolini.

The Level 42 story, in the official version, can be quickly told. Four youngish men, mainly from the Isle of Wight, up last year with "Lessons in the band still wears dark suits victory.

much liked by critics, mainly town because of their audience— his youngish suburbanites who have set. not yet learned to worship sharp clothes and whose idea of a wild time is to blow whistles and to youe in that irritatingly oikish way. But if the Level 42 fans are gauche the band is as smooth as Irish

Perhaps too much so. Having discovered pop they are presenting the archetypal rock show, opening with flares, raking the audience with spotlights, emitting dry ice at the feet of the saxophonist as he takes his first bother with hit records: had generally dazzling the senses. their arms twisted, and came Not everything is stereotyped-

At last the bass players of Love": a smash. They are not and Mark King's only tilt his jacket half way through the

They began with an old hit.
"The Chinese Way," and ended
with "Lesson in Love," by
which time the keyboards player Mike Lindup was dancing around the stage like a decapitated chicken and the audience was in the last stages of delirium. Then on to encores. Level 42 have learned fast. Their music may still be meticulously fashioned rather than easily melodic, and their stage show owes everything to the back-up crew. But in Mark King, mainly from the list of wight, satophulus as he takes his the cheerfully abusing the fans into are into British funk: too solo, peppering the stage with cheerfully abusing the fans into screaming out the choruses committed to musicianship to a rainbow of colours, and screaming out the choruses while playing the best slap bass guitar heard in years, they have the front man to ensure global

## Arts Guide

Music/Monday. Opera and Bellet/Tuesday. Thesite/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

## Opera and Ballet

Royal Opera House, Covent Garden:
This week sees the premiere of the
first opera by the Firmish composer
Antis Sallinen to be given in Britain
– The King Goes Forth to France.
The conductor (as at the world
premiere in Savonlinna) is Okko
Kamu, the producer is Nicholas
Hytner, and the cast includes Mikael Melinye, Stafford Dean, Sarah
Walker and Valerie Masterson.
(249 1066).

Region National Opera, Coliseum: Devid Alden, remembered in Lonon for the zotorious "blow-torch" ENO production of Mazeppa, returns to the house for the new Simon Boccanegra, with Jonathan Summers in the title Role and Janice Cairns as Amelia Maria; Mark Fider conduct Also in repertory; Jonethan Miller's updated Tosca, one of his least suc-



cessful ENO stagings, with Phyllis Cannan; and another, much jollier Miller updating, the non-Japanese Mikado (836 3161).

Festival has as one of its most imrestrive and valuable presentations the long-delayed British premiere of Kirt Well's Silbersee, with Kate Flowers, Meriel Dickinson and Ni-gel Robson, producer John Eston. Bloomsbury Theatre, W.C. 1.

Bellini's I Puritani: The Welsh National Opera's production sets the ro-mantic action against a background of intrifications, and towers which evoke the feeling of danger, thus making Elvira's fully credible. Op-era Comique (42960611) Don Carlo atternates with Verdi's Messa da Requiem conducted by

Georges Prêtre at the Paris Opera (4288 5022). Rallet Meisselev celebrates its 50th anniversary with a suite of traditional Russian dances, with Parti-san Fighters, A Day on a Boat and a Winter Celebration at the Palais des

Maurice Bejart's XXth century ballet:
Trois Etndes pour Alexandre, a
world premiere with Fernando Bujones, Le Baiser de la Fée with Eric
jones, Le Baiser de la Fée with Eric Vu An at the TMP-Chatelet (4233 4444).

#### WEST GERMANY

Berlin, Deutsche Oper: The week intures the premiere of Busoni's Doktures the premiere of pussion a low-tor Faust, a joint project between Berlin and English National Opera, conducted by Christof Prick in Dayid Pountney's production with Lacy Peacock, Gunter Reich, Kesmeth Riegel and Ryszard Karczykowshi, joining in reperbry Ariados suf Nams conducted by Heinrich Hollreiser in Rudolf Seliner's production with Ute Walther, Celina Lindsley, James King and Gerd Feldhoff; and Cost fan totte conducted by Jesus Lopez Cobos in Götz Friedrich's production with Carol Malone, Angela Denning, Keith Levis and Lenus Carlson.

lamburg, Stanisoper: Elektra has a particularly strong east with Heiga Derneach, Gwyneth Jones, Judith Beckmann and Hans Sotin, Manon Beckmann and Hans Sotin. Manon Lescant, sung in Italian, stars Natal-ia Troitskays, Rachel Josebson, Franz Grundheber and Franco Bou-isolii. Parsifal has fine interpretations by Waltraut Meier, Carlos Kranse, Peter Hofmann and Kurt Moll. Die Verkaufte Braut rounds off the week.

Calogue, Opera: La Bohème brings Yoko Watanabe, Juan Lioveras, Ladwig Baumann and Francisco Vergara together. Tannhäuser is an event
of more than passing interest with
Nadine Secunde, Wolfgang Brendel,
Klaus Konig and Mathias Holle.

takes the leads Ellen Shade, Topiel Gonzaga, Giorgio Zancanaro and Nan Christie. Götterdämmerung. produced by Ruth Berghaus, one of the brightest Frankfurt successes of recent seasons, has Katarina Ligendza, June Card, William Cochran and Manfred Schenk in the main parts. Also Orpheus in der Unter-

funich, Bayerische Staatsoper: This week's premiere, Götterdämmer-ung, completes the new Ring pro-duced by Nikolans Leknhoff and conducted by Wolfgang Sawallisch. connected by wongang Sawainsch.
The main parts are sung by Hilde-gard Behrens, Lisbeth Balsley, Bri-gitte Fassbaender, Rene Kolio and Martti Salminen. Also Das Rhein-Martin Saimmen. Also Des Aben-gold with Marjana Lipovsek, Nadine Secunde, Hanna Schwarz and Kurt Moll and Die Walkire with Cheryl Studer, Hildegard Behrens, Robert Schunk and Kurt Moll. La Bohème

#### ITALY

to, Tentro dell'Opera: Revival of Luchino Visconti's 1965 production of Don Carlo (with the original sets and costumes) directed by Alberto Fassam and conducted by Gustav Kubo, Luis Lima sings the part of Don Carlo, Renato Bruson, Rodrigo, Margarita Castro Alberty that of Elisabetta de Valois, and Nicola Ghiuselev alternates with Roberto Scanditucci in the part of Filippo IL

en, Testro alla Scala: Un Ballo in Maschera conducted by Gianandrea Gavazzeni and directed by Sandro Sequi with scenery and costumes by Giuseppe Crisolini Malatesta (Flor-ence Teatro Commale Production), with Florenza, Cossotto, Nuccia Fo-cile and Aldo Bramante; four ballets: Frankenstein: The Modern Promotheus with choreography by Wayne Eagling, who dances with Oriella Dorella; Lulu, choreography by John Butler, danced by Carla Fracci, Gheorghe Iancu, and Ornella Costalongs; Leds and the Swan by Bejart, danced by Luciana Savignano and Jorge Donn and Symphony in D by Balanchine. The conductor is Miby Balanchine. The conchel Sasson. (80 91 28).

Bologua, Teatro Communie: Elisir d'Amore' conducted by Donato Ren-zetti and directed by Luciano Alberti, who also designed the scenery and costumes. The cast includes Sil-vano Carroli, Alida Ferrarini, Luciano Pavarotti and Leo Nucci.

emice, Theatro la Fenice: La Bohème by Puccini in a new production by Fiero Faggioni conducted by Emil Tehakarov, with Renata Scotio, Rei-na Kabaiyanska, Elena Zilio, José arreras and Leo Nucci (71 01 51). Trieste, Teatro Comunale Giuseppe Verdi; Una Lettera d'Amore di Lord Byron - One-tet opera with Libretto by Tennessee Williams, translated into Italian by Paola Ojetti - directed by Gianfranco Ventura and con-ducted by Spiros Argiris. The cast includes Bruna Baglioni, Laura Zan-nini and Piarfrancesco Poli. Also, the ballet Il Carillon Magico with music by Riccardo Pick-Mangiagalli and choreography by Tuccio Rigano (63 19 48).

Rome, Testro Olimpico (Piazza Gentile da Fabriano): Salieri's two-act opera La Grotta di Trofonio directad by Sandro Sequi with Mariella Dav-ia, Amelia Felle, Claudio Desderi and Ezio di Cesare with scenery and costumes by Giuseppe Crisolini Malatesta conducted by Franco Petracchi (39 33 04).

#### **NETHERLANDS**

terdam, Muziektheater, Premiere of the Netherlands Opera production of Busoni's Doctor Faust directed by Franz Martinen. The Nether-lands Philharmonic conducted by Lucas Vis, with Victor Braun as Faust, Mario Brell as Mephistopheles, and Mary Jane Johnson as the Duccess of Parma (Timr).

March 27-April 2

Utrecht, Schouwburg, The Nether lands Opera touring company with the Barber of Seville directed and designed by Derio Fo, the Nether-lands Philharmonic conducted by lands Philharmonic conducted by Stephen Barlow. Louise Whiter (Ro-sina), Yoshihisa Yamaji (Almaviva) and David Malis (Figuro). (Tue). (31 02 41).

Opera Forum with La Traviata directed by Rudolf Sauser and conducted by August Haltmayer, with Franz-Josef Kapellmann and Hélème Vers-kot; Tue in Nijmegen, Schouwburg (22 11 00); Thur in Gruningen, Schouwburg (12 56 45).

un Opera (Opera Hot

#### **NEW YORK**

The week features the first seasonal performance of Sanson et Dalila conducted by Jean Fournet in Nathaniel Merril's production with Mar-ilyn Horn, Jon Vickers and Terry Cook, joining Dialogue of the Car-melites conducted by Mannel Ros-enthal in John Dexier's production with Maria Ewing, Jessye Norman, Florence Quivar and James Court-ney; and Turandot conducted by James Levine in Franco Zeffirell's do Domingo and John Macurdy

Fujian Hand Puppets/Roundhouse Claire Armitstead With placard-toting pickets first performance at 11, and has proclaiming "the Roundhouse since devoted himself to spread-exploits black people," the ing the good name of his comsignals were confusing to the pany abroad, training others up

noon to watch the muchpublicised Fujian Hand Puppet subtle political shifts of postCompany in what has long been designated a national centre for The revolutionary operas of the black arts. The carnival atmos-phere inside the former more traditional repertory, the Victorian engine shed in Chalk centrepiece of which is the Da victorian engine shed in Chalk centrepiece of which is the Da Farm was given a whiff of political reality by the clanking of from Tales of the Marshes, by collection boxes for the Ming dynasty writer Shiu Nai-Roundhouse four four an, which tells of a recommendation of the centrepiece of which is the Da Ming Fu. This is a fragment from Tales of the Marshes, by collection boxes for the Ming dynasty writer Shiu Nai-an, which tells of a recommendation of the Centre workers sacked from the centre of the Marshes, by the centre of the Marshes, by the Centre of the Marshes, by the Centre of workers sacked from the centre earlier this year amid allegations of mismanagement. All of which, we were assured

pappets. Thankfully, the puppeteers such exquisite craftsmanship as atmosphere that surrounded peteer dynasty, who gave his subject.

#### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Tuesday March 31 1987

## **Open markets** in telecoms

point the way towards a more open European market. The ostensible issue is whether of British Telecom's commer-CGCT, the weaker of the cial freedom, will insist on country's two state-owned sup-pliers of telephone exchanges, best suits its needs—even from should seek an alliance with outside the duopoly. should seek an anticanon significant significant seek and Telegraph (AT & T) of the US, or—just a compromise possibly, as a compromise choice—Ericsson of Sweden. What matters is not so much the identity of the winner as the need to use whatever agree-ment is reached as a lever to prise open Europe's closed telecommunications markets.

Traditionally, Europe's principal telecommunications authorities, such as the Bundespost in Germany, the Post Office in Britain and the DGT in France, have bought main exchanges from exchanges from the result national suppliers. The result is that none of the manufac-turers has enjoyed economies of scale; costs per line to subscribers are far higher than they need to be. British Tele-com, successor to the Post Office, broke with tradition when it chose Ericsson to supply the so-called System Y exchange in competition with System X produced by Plessey and GEC. But the German market remains the preserve of Siemens and the ITT subsidiary which is now owned by CGE of France; in France DGT splits its orders between CGE (currently 86 per cent) and CGCT (14 per cent).

#### Marginal player

One of the dangers in the long wrangle over CGCT is that, if the French Government decides to bestow its favours on Stemens, this will be seen as a quid pro quo for CGE's newly secured presence in the German market; the cosy duopoly may continue in both countries, with no introders allowed. It was this possibility which led the authorities to threaten retaliation against Siemens in the American market.

Clearly domestic politics will influence the outcome. CGE is about to be privatised; the government will be anxious not to damage its prospects. Similarly, in a pre-election period the authorities will want

IN A FEW weeks' time the to show that CGCT will be French Government will take secure and prosperous with its a decision which will either new partner—even though it is reinforce national barriers one of the most marginal in an important industry or players in the industry. In the point the way towards a more longer run there are indications

If Siemens is the chosen partner, it should be conditional on more open markets in both France and Germany. There should be no guarantee that CGCT will retain its share of the French market for the indefinite future.

It might be argued that the entry of AT&T will be better for Europe; as a newcomer with no established position to protect, it has an obvious interest in freer competition There is no ground for dis-criminating against AT&T on grounds of European solidarity: in any case its tinks with Philips of the Netherlands provide use-ful European credentials. But 'AT&T may not provide the same opportunity for influencing events in Germany, which has the largest market and, in the Bundespost, the most defensive and conservative telenunications authority,

#### Under pressure

A unified European market cannot emerge without a change of attitude in Germany. Fortunately, the Bundespost is coming under pressure at home; a government-appoint; i commission, due to report in the summer, is expected to recommend substantial deregulation and Lerhaps even the establishment of rival network operators

A reduction in the monolithic power of the Bundespost and similar bodies in other countries is a necessary condition for the emergence of the new, Europewide telecommunications services which modern technology makes possible. Other moves are also needed, notably the development of standards to facilitate links between the different national

The handling of the CGCI sale has been a classic example of how not to take industrial decisions. The onus is on the Chirac Government to use the resolutions of the affair as an opportunity to move towards

## Pouring oil on **Aegean waters**

MR KARAMANLIS, the former 1981, the year Mr Andreas Greek Prime Minister and Papandreou, the present Greek President, once said there were Prime Minister, came to power President, once said there were Prime aimster, came to power only three ways of solving and started adopting a particuGreek-Turkish conflicts: negotiation, arbitration or war. Ankara towards Turkey. While it is and Athens last weekend wisely fruitless to apportion blame, it

sabre-ratiling into military action, the ensuing conflict would merely have exacerbated their long-standing disputes, rather than solved them. It is hardly likely that their Nato partners-least of all the USwould have stood idly by to watch the alliance being torn apart in such a sensitive area as the eastern Mediterranean.

Having apparently decided that a conclusive military conflict was out of the question, the Greeks and Turks are faced once again with a choice between negotiation arbitration, and redistion are the only and mediation as the only reasonable alternatives. They could, it is true, continue on their previous path of mutual threats, punctuated by minor, if dangerous, physical clashes on their common frontier, the sea or in Aegean airspace. It is to be hoped, however, that the latest incident will act as a cata-

Direct negotiations between the two sides do not have a very happy history. They have come to grief not so much because of disagreements about legal issues but because of the fundamental distrust and hostility engendered by a host of serious political disputes.

#### Tough stance

One of the most promising developments was the Berne Agreement of 1976, under which each side undertook to refrain from any controversial action pertaining to the Aegean con-tinental shelf, pending the out-come of negotiations on the subject. The first phase of these negotiations came to an end in

for their eventual breakdown in Alliance as a whole.

and Athens last weekend wisely includes or apportunit blame, it rejected the third of these options after coming closer to a down because the political military clash than they have for many years. If they had converted their at which rational negotiations were no longer possible.

If the atmosphere is still as bad today it is because none of the major political disputes between Greece and Turkey are any nearer to a solution. A Cyprus settlement remains as unattainable as ever, in spite of the mediation efforts of Mr Perez de Cuellar, the UN Secretary-General

#### Nato alternative

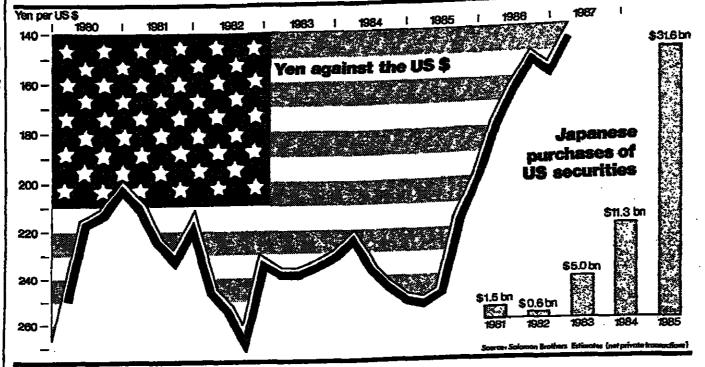
Mr Karamanlis's other option —arbitration—has also proved to be a dead-end since Turkey to be a dead-end since Turkey has refused to accept the legal basis on which Greece has proposed submitting the continental shelf dispute to the International Court in the Hague. Mediation, however, still remains a possible avenue. Without detracting in any way from Mr Perez de Cuellar's undoubted qualities as a mediator, a fresh approach to Greek-Turkish problems by an internationally respected elder statesman could possibly help to until the Gordian knot.

If Greece and Turkey were partners inside the European Community, a desirable long-term objective whatever the present obstacles to its early realisation, the framework for mediation would be clear. In its absence, Nato, of which both Greece and Turkey are important members, is an obvious alternative.

Mr Papandreou is wrong to reject the "good offices" offer by Lord Carrington, the Nato Secretary-General, and should think again. The former British Foreign Secretary is a past 1978 without any agreement, but master in solving intractable talks were continued between political problems, as he proved high officials for another three in the Rhodesian affair. He high officials for another three in the Rhodesian affair. He years on a range of problems should at least be given the dividing the two countries.

Each side blamed the other dispute affecting the western in the sun and is now the

# In Tokyo, Washington and London, there is talk of trade war. Ian Rodger takes the temperature in Japan ....



# Nakasone in reverse

NCE AGAIN, Japan has succeeded in getting its intention to impose next almost the entire world angry at it for its allegedly inequitable trade practices.

But this time, attitudes seem to be hardening to a dangerous extent on all sides, making the outcome less certain than on a semicondiscing trade outcome less certain than on semiconductor trade.

In newly prosperous Japan, there is impatience with foreign ws' complaints, and an unusual amount of bluster from the government shout "mark" cant position in a new Japan. the government about "appropriate" retaliatory measures. Also, the Japanese govern-ment itself is in an unusually fragile state. It faces startlingly strong opposition at home to some of its recent economic reform proposals and thus may be unable to apply as muc pressure on entrenched opposition to open markets as it has on similar occasions in the past.

On the other side, both the US and the UK have chosen to threaten punitive action beyond the sector in which they are in dispute. This tactic is considered dangerous in trade negotiations, because it can lead rapidly to escalation.
In the US case, alleged Japanese infringements of an agreement on semiconductors may bring retaliation across a wide range of electronic products. The UK is threatening

lines for a Japanese action in In the end, Japan, with its large dependence on foreign trade and on the US for its security, has little means of the yen, import volume rose opposing its allies' demands only 12.5 per cent, and a good that it continue to improve its chunk of that was non-monetary

retaliation in banking and air-

NCE AGAIN, Japan has • On Friday, the US announced

• The UK's grievance concerns the Japanese Government's attempt to prevent Cable & Wireless from taking a significant position in a new Japanese international cations venture.

 Yesterday, Mr Herman de Croo, chairman of the European Community's Council of Minis-ters, began three days of trade talks in Tokyo. Booming Japanese car exports to Europe are high on the agenda, along with access to the Japanese

The Japanese Government's response has been to pull together yet another package of aimed at further opening its markets to foreigners. In the past couple of days, there have been indi-cations that the Government will buy supercomputers from the US and accelerate measures designed to stimulate the domestic economy and draw in

The problem is that similar

actions in the past have not made much difference. Japan's trade surplus last year reached a record \$88bn, nearly double the 1985 level. Despite the sharp increase in the value of

The simple explanation is that the Japanese are like every other people — set in their ways, and reluctant to change until absolutely forced to. Japanese leaders in both the public and private sectors know that the old, protectionist know that the old, protectionist patterns established and honed in a period when Japan was a weak developing country—can-not continue now that it accounts for more than a tenth

of the world's output. But they resist change as long as possible — for example, they defend controlled interest rates and hig tax incen-tives for savings, which remain famously high: the average household in Japan saved 16 per cent of its disposable income in 1984, more than double the average US household rate of 62 per cent.

That means banks have a

large supply of cheap money and pressure their industrial customers to borrow and build. Industrialists, in turn, still demand that their salesmen each ever higher sales targets. Buying Japanese goods re-inforces the process.

The semiconductor industry. one of the objects of current US wrath, is an excellent example of these patterns. Having identified the chip sector as strategic, the leading e electronics companies invested excessively capacity, and then carried their inevitably ferocious price war with each other all over the world, knocking out foreign. mainly US competitors in the The US government eventu-

ally lost patience and, after threatening anti-dumping duties on chip imports, won agreement in September from the Japanese industry last summer to sell around the world at fair market prices and to help US producers sell in the Japanese market. Six months later. US chip

makers are still complaining— will have capacity in the US to and producing evidence—that make 2m cars a year. But some the Japanese are selling at un-industry leaders seem to think realistically low prices in third that they will be able to conmarkets. Japanese officials blame the year to the US as well.

**Men and Matters** 

for grey market operators to buy Japanese chips in Japan at low prices and sell them in third markets at lower prices than the Japanese producers controlled prices.

Interestingly, there is \wa growing split between the Ministry of International Trade and Industry (MITI) and the semiconductor industry on the handling of the dispute. Some industry leaders, who resent the loss of sales caused by production quotas and imposed price increases, feel they would have been better off with the US anti-dumping duties than the

semi-conductors. in Japanese leaders can point to several changes that have been made in the country's trade practices in response to foreign omplaints and, more recently. in response to the pressure of the high yen. Tariffs have been lowered, non-tariff barriers removed and various market opening measures applied.

The industries that affect the

trade balance are cars, machinery and electronics. Motor vehicles alone account for 20 per cent of the country's exports. Japanese motor industry leaders like to point to the per cent increase in unit car imports last year, especially from Europe, but the growth is from a tiny base. The value of motor vehicle exports last year was 38 times greater than that of motor vehicle imports. Similarly discordant trade trends can be found in machinery (19 per cent of exports) and electronics 16 per cent

It is true that these indus-tries have been moving rapidly build manufacturing capa city overseas, but so far there is little evidence that they have grasped the nece corollary to those moves; that is, the contraction of manufacturing activity in Japan. For example, by 1990, Japan will have capacity in the US to

time exporting 2.3m cars a

## Britain brandishes the rule book

THE BRITISH Government faces a difficult task in deciding how to respond to growing public clamour for retaliation against Japan in the wake of its refusal to significant stake in the opening of its telecommunications

On Thursday the Cabinet is due to examine a range of options being prepared by the Department of Trade and Industry, but it is already clear that its room for action is circumscribed both by circumscribed both by Britain's traditional policy of refusing to act "illegally" in trade matters and by official reluctance to use the obvices weapon of retaliation against Japanese financial institutions in the City. Yet the head of steam that

has developed in the Com-mons over the past week with the active encouragement of Mr Alan Clark, Trade Min-ister, means that the Govern-ment risks being heist on a political petard partly of its ewn making if it comes up with measures that fall to satisfy public opinion.

The review of possible

action against Japan was com-missioned some time ago by Mr Paul Channon, Secretary Industry, as part of a general effort to force the Nakasone Administration to open its market to British goods. But it has gained fresh signifi-cance in the wake of the Cable

exports. A tax reform package, which includes proposals to stimulate consumer spending

and remove some taxes that

discriminate against imports,

has encountered strong public opposition, dividing the ruling Liberal Democratic Party and

sending Mr Nakasone's popularity to a new low of 26.9 per cent, according to a poll pub-

lished last week. As a result,

he is looking more and more

& Wireless episode and that is where the problems liegin.
In terms of international trade law as set out in the Gatt, the Government has a weak case for claiming that Japan must open its telecom-numications market to foreign participants. There is no general precedent for requir-

Moreover, problems of a legal and a practical nature sarface as soon as practical measures are considered. Prosuch as regulring imported video cassette recorders to clear castoms at an out-of-the-way place like Milion Keynes, are also strictly illegal under Gatt, and would probably upset the Kuropean Com-mission in Brussels as well. In any case the Government has also to weigh the risks that making life harder for Japanese experters could dis-courage them from using the UK as a manufacturing base for the EEC.

The state of the s

To S

manimo Presiden

The

labour Water

support policy o sense th to be Leases."

Mr Brin

ment is common to common the common that is common to common the common that is common to common the common to common the common to common the common that is common that is common to common the common that is common to common the common that is common to common the common that is common that is common to common the common that is common that is common to common the common that is common

Meanwhile the new Finns cial Services Act empowers the Government to require reciprocal access in home financial markets from foreign ounting institutions that see up in the City, but use of fishing act for the purpose of retaligition in other areas would be legally doubtful and could turnish the City's appeal as an international banking

Peter Montagnon

kind of cars appreciated by The effect of these reverses appears to be showing up to the bitter dispute over the the size of the US market." industrialists Many national telecoms company in thought, until recent weeks at national telecoms company in Japan. The Ministry of Posts and Telecommunications (MPT), which has been accustomed to dealing with only domestic companies, is resisting any significant opening up of the industry to foreign participation, despite new legislation in principal mechanisms when participations least, that they could still heat the high yen. Manufacturers who were complaining bitterly early last year that they could not live with the yen as high as Y180 a dollar, were beginning to suggest towards the end of the year that they could adjust to the then prevailing level of Y160 to the dollar. tion inviting such participation. The MPTs attitude has en-raged both the British and US To the money markets, that was equivalent to admitting that they would continue to governments, as both US and UK companies have attempted to take up the invitation. Strongly worded letters have been sent to the MPT by top. US officials and to Mr Nakasone by Mrs. Mayorant Thatcher. export aggressively. And that, as much as anything, explains the continuing pressure on the yen so far this year. Many analysts in Tokyo are predict-ing that the yen will keep rising until it forces fundamenby Mrs Margaret Thatcher. This is the sort of case in which Mr Nakasone's leader-ship has often made a differtal change in trading behaviour. Meanwhile, the Government seems to be losing its power ence in the past. Last summer, for example, his intervention pushed MITI into agreeing against its will to some of the more strident US demands in to push through reforms that would encourage industry to focus its attention more

the semiconductor negotiations. But omit last Friday, he had steeped well clear of the Tele-come problem. And even then, domestic markets and less on coms problem And even then, he only requested the MPT to became too entangled. strident noises, including MITL which is threatening to take the US to Gatt and to repudiate

the chip agreement. Admittedly those are not very frightening threats, but the US and the UK have pointed the way to enlargtrading behaviour. But the trade outlook seems disconcertingly unpredictable.

The latest storm has blown up remarkably quickly.

The latest storm has blown up the coverage of the property o action, and the Japanese, lack-ing a strong leader, just might be swept up in the trend.

#### Goodman's private plans

Harry Goodman is clearly set on becoming the Freddie Laker of the 1990s. The flamboyant chairman of the International Leisure Group, yesterday announced plans—along with the senior management team—to buy out the company. His reason is the need to stay private while his Air Europe reason is the need to stay private while his Air Europe operation expands from a fleet of six to 27 aircraft by 1990.

"The City takes too short a term view of such things," Goodman tells me, "so we need to expand in private."

Goodman, 47, will undoubtedly go into the airline business with his eyes open since he and Laker had a close business relationship until the latter's fall from grace in the early 1980s.

early 1980s. In 1979, for example, Good-

nan's Intasun travel operation man's Intasun travel operation linked up with Laker to provide the cheapest flights to Miami at a time when the boom in British toursts to Florida was just taking off. It was a big success for Goodman. He says: "Laker got all the kudos and we got all the passengers."

Laker in fact, turned to Goorman in the final stages of his airline's collapse to seek his airline's collapse to seek help in keeping the company afloat. Goorman, unable to find the funds, still managed to snap up Laker's package holiday business to Spain.

Goodma n has been one of the more ebullient characters in a British travel industry not noted for shy wallflowers. It is hardly surprising that the lively Club 18-30 operation is an ILG operation. He left school at 15,

turned down for a job by Thomas Cook because of his lack of O-levels, and started in the traditional small way, working for a travel agency in Kent. His big break came when Clark-sons folded in the early 1970s. alerting his entrepreneurial flair to meet demand of disgruntled holidaymakers. His main operating company

second largest package tour

Goodman insists that he has lost none of his motivational and entrepreneurial flair. But in his bid to do a Laker he feels the City may not be his best ally. Wickins' way Yesterday's announcement of an agreed merger between Michael Ashcroft's Hawley Group and David Wickins British Car Auctions has sur prised a few people who thought that the two had fallen out irreparably last year. But one source close to the scene said yesterday that as far as Wickins was concerned "it was not like losing a son, more like gaining a son-in-law."

"I am certainly not in the mood to retire," said 67-year-old Wickins yesterday. He has,

operator behind the giant Thomson Travel group.

Even so, a recent survey by Holiday Which? magazine

found that Intasun and its

related travel operators were

the travel companies most disliked by the Consumers' Association's up-market mem-

bership.

however, been restless since BCA settled down to a singlestream of business activity and is keen to apply his skills in building up a few stakes in small companies that will come good in time — what he calls his "nursery."

The play school is now lack-ing in pupils apart from the ing in pupils apart from the very grown up First Security Group. Under the arrangement with Hawley, Wickins will have access to \$100m without the need to go to shareholders for approval, or the fear that some US predator will sweep in and snatch the baby and the bath water. Not bad for a business



—are there other

that started just after the Second World War with £460 of

#### Food for thought

Paul Bocuse, one of France's leading chefs, has created a new dish to celebrate the first year of power sharing in the country between a Socialist President and a conservative Prime Minister.

the other is stuffed with black truffles (celebrating the Cor-reze region where Chirac is a deputy).

Bocuse says that the two qualls can either be laid "side by side, back to back, or head to head" but that the quall stuffed with fole gras should be placed on the left of the plate. Sauce from the Elysée quall should then be poured on the Matignon quall and vice-

The dish is being added to the menu of Bocuse's Lyon restaurant and will live longer, says the chef, than the political cohabitation it marks.

#### Fruitful economy

Albania, condemning Gorba chev's economic reforms as "capitalistic," strides a lone Stalinist path still towards the The ministry of agriculture

has just held a national meet-ing, attended by the Prime Minister and other members of the Politburo, on olives. The opening report praised

the party's devotion to olives, especially that shown by the country's late leader, Enver Hoxha. Under his guidance, it was said, the number of olive trees multiplied 3.7 times, and those bearing fruit 2.4 times.

#### On the hop

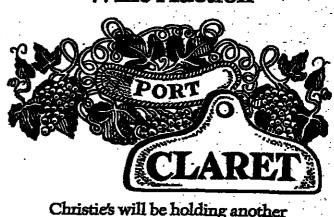
Texan corporate raider, T. Boone Pickens, is being credited as the author of this story doing the rounds in Washington.

Washington.

A group of ladies met a frog which claimed to be a Texan oil millionaire under a magic spell and pleaded to be kissed. One lady promptly seized the frog, but instead of kissing it, she popped it into her handhag. Why, asked the others, hadn't she just bissed the frog as it she just kissed the frog as it had begged? "Because," she replied shrewdly, "a talking frog is worth more than a Texan oil millionaire."

Observer

# Wine Auction



City Wine auction at the Institute of Chartered Accountants on Monday 6 April 1987 at 12.30 p.m. the sale will include Havana Cigars, Vintage Port, Claret, Burgundy and

fine and interesting bin-ends.

Also on view at this City Wine sale will be selected Cricket items from the MCC BICENTENARY SALE to be held at Lords on Monday 13 April 1987

For catalogues or any further details of our evening seminars in the City, please contact Simon Birch or Peter Arbuthnot.



56/60 Gresham Street, London EC2V 7BB Tel: (01) 588 4424 or 606 1848

هكذامن الأحرا

## ... and Lionel Barber examines the balance of power between Capitol Hill protectionists and those urging a calmer response

## An accident just waiting to happen

"STAND UP for America," Japanese sentiment that it is declares the prime-time tele-vision advertising campaign Yasuhiro Nakasone, the launched by the United Auto Japanese Prime Minister, to Workers union. "Require press his wish to address Conforming nations to reduce their trade surpluses."

Proceedings of the control of the con

Manual Ma

13(127)

Table 1

175 13

Com-

T . C

2:4<u>5</u>

in the

5 12 77 22 (2 77

àsz, in eign

7 12 id.

. કું મુક્

203-2

12003

A PART OF THE PART

16.5

From Capitol Hill to the Commerce Department in the state of Michigan to the semiconductor manufacturers in California, lawmakers, workers and industrialists are joining a chorus of complaint about the flood of imports into the US and what they term unfair trade practices by America's competitors.

Taget Friday P. 1881 to the Washington next month. The raw trade figures explain a good deal of this autogonism. In the six years since President Reagan took office, the US merchandise trade deficit has grown from \$39.7bn in 1981 to the should be sufficient to the year against the dollar means that these figures overstate the change in volume terms.

Last Friday, President Ronald Reagan, tacitly bowing to the trend, accepted the recommendations of his closest economic advisers and decided to double the import price of a wide range of Japanese electronic goods—the first time the US has taken unflateral trade action against Japan since the Second World War.

The US action was faken to boost American competitive-

The US action was taken under section 301 of the 1984 Trade Act which mandates the President to take "all appropriate and feasible action" to protect US trade interests. What made last week's action dif-

escalate into a trade war. Others interpret the proposed penalties as part of a policy of containment: a short, sharp shock aimed at convincing Tokyo that it was reduce its \$550m mer. it must reduce its \$58hn mer-chandise trade surplus, because this time protectionist pressure in the US is for real

A significant shift came 10 days ago when the US Senate unanimously called on the President to retaliate against Japan's efforts to keep foreign

to boost American competitive-ness. "The semiconductor row

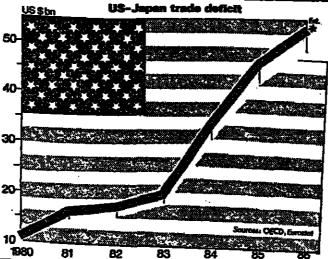
Trade Act which mandates the President to take "all appropriate and feasible action" to protect US trade interests. What made last week's action different from previous applications of section 301 was that it was an attempt by the Administration to enforce a trade pact which in itself was of doubtful legality under Gatt.

To some, singling out the Japanese marks a new departure by the Administration, a willingness to risk tit-for-tat retailation which could rapidly escalate into a trade war. Others interest politician; no one wants to inherit an international trade

But there is a consensus among leading national Democrats that the trade issue is theirs for the picking. Mr Jim Wright, the House Speaker from Texas, is convinced that the One of the most accurate barometers of this pressure is the US Congress.

Democrats' success in the midbarometers of this pressure is regained control of the Senate, was regained control of the Senate,

Japan's efforts to keep foreign But he finds himself facing companies out of its telecommunications market. Indeed, so strong is the present anti-



tenkowski has made it clear restructure its economy so it is that he will not associate him-self with a trade bill which faces a Presidential veto. He has therefore opposed a key amendment to the House bill:

In the Senate, where Texan Mr Lloyd Bentsen is in charge of trade legislation as chairman of the Finance committee, the mood is less overtly aggressive. A bill now being put forward by Sen Bentsen, co-sponsored by a majority of senate Democrats and Republicans, contains some and Republicans, contains some mandates for more aggressive Presidential action against unfair practices. But it makes it harder for injured industries to qualify for relief from import competition.

It authorises a new round of negotiations with GATT and requires close White House constitution with Congress on matters such as exchange rate

ters such as exchange rate policy, third world debt, and international macro-economic

policy.
This more general approach undoubtedly finds some favour within the Administration. The question is whether Congress's desire to substitute flexibility with mandatory action is acceptable to key Administration figures such as Mr James Baker, the US Treasury the tariffs.

approach to trade imbalances has been to argue for closer international economic policy

regained control of the Senate, was partly due to promises of action on the trade deficit

Mr Wright is therefore pushing for a tough trade bill in the House of Representatives.

But he finds himself facing opposition from Congressman opposition from Con

internal economic reform in Japan is as important in the these figures overstate the change in volume terms.

The rise in Japan's trade major US trading partners in exchange rates. Indeed, as surplus over the period has led to a series of wrangles with Tokyo

In addition, Japan, having pointed out at the weekend, the joint statement arising from the recent meeting of the G5 nations in Paris underlined the view that "excessive moves in exchange rates can be detrimental to bringing about domestic growth."

Mr Baker's difficulty is that he faces degrees of executicism.

not so reliant on export-led growth.

According to Mr Baker,

he faces degrees of scepticism within the Administration about the good faith of the Japanese the good faith of the Japanese in pursuing economic reform. Mr Malcolm Baldridge, the US Commerce Secretary, is the most vocal exponent of this view. By feeding off sentiment in congress and talking tough, Mr Baldridge has grabbed front page coverage in the US press to the exclusion of more moderate voices.

ate voices.

"The danger is that this could generate a momentum of its own," says one Administration official. Which is why Mr Baker last week went along with the decision to retaliate Similarly, the US earlier this

year was happy to go to the bring of a trade war with the EEC over Spanish and Portu-guese tariffs on American maize

The cornerstone of Mr Baker's approach to trade imbalances has been to argue for closer the temperature and creates an approach to the corners of the temperature and creates an approach to the temp

REC-Jepan trade deficit

## Not exactly the spirit of GATT

By Peter Montagnon, World Trade Editor

"I AM convinced that most heightened risk for the future. countries realise that the It is only three months ago general state of the international economy and international economic national economic relations is so serious that they could no longer afford the luxury of muddling along from conflict to conflict."

This comment by Mr Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (Gatt), was made to an audience of businessmen in London at the end of January, just as the new Uruguay round of trade liberalisation talks was finally getting under way.

Two months later, with a new trade war apparently looming between Japan and the US over microchips and pressure mounting in Europe for concerted trade action against Japan, the

It is only three months ago that a similar dispute between the US and the EEC blew up over agriculture, with the Reagan Administration threatening retaliation against Europe because its failure to agree compensation for grain exports to Spain and Portugal lost when those countries joined the Community.

That problem was eventually resolved without perceptible damage to the Gatt talks and in the short-run the hope in Geneva is that the same will happen in the case of the microchip war. "My own feeling," says Mr Andrew Stoler, an attache at the US delegation to Gatt, "is that when things get that serious the bare as year.

was only resolved when the EEC backed off and dropped the tariffs.

The lesson: holding a pistol to the head of other trading nations works. But it also raises the temperature and creates an atmosphere far removed from rational debate.

Last week's action against Lapan, was almost certainly a selective strike to settle a specific problem—no one wants a trade war. But there is a country stambling into conflict.

Satt, "is that when things get that serious they have a way of working themselves out."

Mr Martin Wolf, chief economist at the Trade Policy mist at the Trade Policy material working themselves out."

Trade diplomats in Geneva diplomats in Geneva at the Trade Policy mist at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy mist at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material working themselves out."

Trade diplomats in Geneva at the Trade Policy material work to fall below \$100bn for the test that serious they have a way of a full-blown trade war which to fall below \$100bn for the trade of the deconony would fall outcome at this stage. Ultimately there is much at the for both sides, not only in trade.

As the chart on the left shows, matery there is much at the world economy would fall outcome at this stage. Ultimately there is much at the world economy would fall outcome at this stage. Ultimately there is much at the world economy would fall outcome at this stage. Ultimately there is much at the Cast of the deficting world for protectionstic nationalism."

If that is the deficit was unlikely to fal

tions. At the launch of the Uruguay round these countries wrung out of the industrial powers a commitment that they would both freeze protectionism and also try to roll back bar-riers to trade. That all looks increasingly hollow.

At the very least the looming tangle of dispute between the world's main trading powers suggests such a minimal degree of mutual trust that the incentive for other participants to work for genuine progress towards trade liberalisation in four-year process of the Uruguay round is likely to be

diminished.
The EEC has already decided to complain to the Gatt about last year's semiconductor agreelast year's semiconductor agree-ment between the US and Japan, which was designed to prevent Japanese companies dumping microchips in the US and to open the Japanese mar-ket to US microchip exporters. Gatt has yet to pronounce on the complaint, but it tradi-tionally frowns on such bilateral agreements, because they smack of market sharing and cartellike practice.

Were the US now to go ahead with its proposed sanctions on Japan, the situation could be doubly bad. Most trade officials believe that, as announced by the White House on Friday night, the sanctions would be illegal under international trade rules which require that Gatt members treat all their trading partners equally.

Thus Japan would arguably have the right in its turn to complain to Gatt about the US action, and even to retaliate in kind, opening up the possibility of a full-blown trade war which

gerate the importance of each the point where Japan might for event and then assume that once example, stop buying Treasury it is resolved, the whole probit is resolved, the whole problem has gone away, he says. In
fact, the microchip war shows
that "the US has pretty well
made up its mind to act unilaterally to enforce its interests
whether in ways that are either
debicors or in downright contravention of the Gatt," he says.

Apart from the immediate
risks inherent in this policy, the
danger is that it will end up
leaving developing countries,
who are key participants in the
Gatt round and potentially large
markets for the west, disillusioned about the US intentions. At the launch of the

seample, stop buying Treasury
securities. That would leave the
US Administration unable to
finance its budget deficit and
the dollar would fall dramatically in exchange markets. On
the other hand, Japan's investments in the US would also
lose their value and its own
ability to trade in world markets would be seriously impleaving developing countries,
who are key participants in the
greater than meets the eye, a
resolved deficit and
the dollar would fall dramatically in exchange markets. On
the other hand, Japan's investments in the US would also
lose their value and its own
ability to trade in world markets would be seriously impleaving developing countries,
who are key participants in the
world economic scene is
greater than meets the eye, a
resolution of the microchip war
would still leave two nagging
problems in its wake. Not only

would still leave two nagging problems in its wake. Not only has the episode already served as a forceful reminder of the as a rorestul reminder of the fragility of the world trading system against a backdrop of sluggish world economic growth. It also serves as a sharp reminder of the pressure the Reagan Administration is facing

from Congress.

The administration is trying to balance its desire to promote the Gatt round as part of its own free-trade doctrines on the one hand and the need to fend

one hand and the need to fend off protectionist pressures in Congress on the other.
There are some signs that this strategy may be paying off. Already the House of Representatives has watered down a proposal in a trade bill, due to be enacted later this year, which would call for mandatory retaliation against countries with a persistent surplus in their trade with the US. In spite of this, the administration remains concerned about the hill's protectionist tone and the House's strident position on textile imports.

All this is happening against All this is happening against a dismal economic background for world trade itself. Last week the Gatt itself forecast that world trade growth would slip to 2.5 per cent this year, from a pedestrian 3 per cent in 1986. In Senate testimony parties this morth Mr. Pirmon. earlier this month Mr Rimmer de Vries, the influential chief economist of Morgan Guaranty Trust, said the US trade deficit would fall only modestly from its record level of \$170bn last

Barring substantial macroeconomic policy adjustments by both deficit and surplus coun-tries, the deficit was unlikely

#### The right way to tax houses

From the General Secretary, Inland Revenue Staff **Federation** Sir,-Samuel Brittan's article (March 26) provides a valuable

that problem to mobility labour. While I could not possibly support the Government's policy on housing generally, I sense that Mr Patten was right to be cool on "Lets into Leases." Surely what would

result, in the south east especially, is a market in such leases unaffordable by the very people Mr Brittan seeks to provide for. with their new powers I suppose building societies would be able to help if they chose, but I sense only at relatively high rates given the limited equity value and other hazards not associated with

normal owner occupation.

It is by any standards astonishing that the Govern-ment is rushing ahead with the community charge in Scotland when the whole concept of such a poli tax has been condemned by virtually everyone outside the Government.
Equally astonishing is the

persistent unwillingness to give credence to the advice on rates by the Layfield committee. The fact that Layfield's advice in so many opinions remains wise over a decade after his committee first reported, is fair evidence of the soundness of the argument which says that a property tax (rates) should remain, but on the basis of capital values rather than theoretical rental values.

What was also suggested by Layfield was the prospect of a local income tax as a supplement. Is there merit in exploring Layfield's approach with Mnellbauer's, i.e. the restoration of the old Schedule A for income tax purposes (to proincome tax purposes) fact that Layfield's advice in so

income tax purposes (to provide a predetermined level of income from residential pro-perty for local authorities) with perty for local authorities, whith a local income tax becoming the instrument for "topping up" by local government on which they would be fully accountable locally?

I recognise that this discount considerable locally?

counts considerably Layfield's sound enough arguments in favour of calling the tune if you pay the piper. But it would not erode it wholly and would. I think, have some other

Here I come to mortgage interest relief from income tax and to Frank Field's proposal of a celling to the cost of it. It may be the case that if we better. But all that is academic. We do have it and I do not see how we get rid of it. Yes, it should be restricted to the basic tax rate, but not to

#### Letters to the Editor

(March 26) provides a valuable introduction to any study of the major problem of housing in Britain and particularly into the unhelpful relationship of that problem to mobility of inflate the price of houses is surely to inflate the price of houses sell-tion to the issue either bilater. buyers.

There is another way round labour immobility—take work to the workers. This federation is prepared to explore this (in fact we first proposed this to the Department in 1055 the Department in 1956 and received a fiea in our ear at the time) having co-operated fully in the 1960s and 1970s in moving a great deal of work to Scotland, to Merseyside, to Manchester and to Tyneside. The useful by-product is the release of housing in the south east. What we would insist upon, reasonably enough, is that it was done in any way cost as a result—either in cash, time or unreasonable inconvenience or promotion pros-pect. What we must not do either is move out jobs the south east will need; there is nothing to be gained from shifting unemployment about. Tony Christopher.

#### 231, Vauxhall Bridge Road SWI. GATT and Japan's

policy From Mr J. Provan, MEP. From Mr J. Propas, MEP.
Sir,—Peter Montagnon's excellent article on "EEC External trade" (March 25), claims that by referring Japan's protectionist tax and duty system for imported wines and spirits to the Gatt, the EEC's case against Japan has lost representing in terms of public momentum in terms of public perception.

The facts, however, disprove this. In late December 1986, the Japanese Government announced some proposed tax and duty reform changes which the EC Commission and the British Government immediately on an "expedited" basis and in early February the Gatt agreed to the EEC Commission request for the creation of a Gatt "panel" to arbitrate on Japan's policy towards imported wines and spirits. The panel's first meeting was held later that

inflate the price of houses selling for figures below the limit and those selling for 10 per cent-20 per cent above it. The sufferers are those on low incomes, especially first-time threads. objectives demonstrates that whatever the alleged public perception, the facts are that the issue is still very much

alive. James Provan. Wallacetown, Bridge of Earn, Perth, Scotland.

#### Unified capital market

From the Director-General for Financial Institutions and Company Law, Commission of the European Communities Sir.—Hugo Dixon, at the ninth European Financial Manninth European Financial Management and Marketing Asso-ciation convention in Nice (March 24), reports comments by Mr Robert Lion, director-general of Caisse des Depots et Consignations, suggesting that the Commission of the European Communities, in its eagerness to achieve a unified capital market by 1992, is simply proposing mutual recognition of supervisory regulations and that this could lead to a lower-

throughout Europe.

If true, this would be a serious criticism. In fact, however, mutual recognition of careful selection, with or with-standards is only one element out the assistance of an interin the Commission's approach to achieving unified financial markets by 1992. We have, in addition, always emphasised that mutual recognition must rest on the broad equivalence of national regulatory systems and this will often require some prior degree of harmonisation. There is no question of our seeking to harmonise at the lowest common denominator. On the contrary, we are committed to ensuring equality of competition in the banking and other financial markets on Hemel Hemmstead. Herts. and other financial markets on the basis of prudential stanrejected as madequate. In dards which assure the stability fanuary of this year, the EC of the financial system and ademember states endorsed the commission's intention to purdence denositors and consumers.

Mr Lion is reported as saying that the Commission should be working for a harmonisation of capital ratios, taxation and the rules against market malprac-tices such as insider trading. We are indeed doing just that Last year the Commission pub-lished proposals for Community panel, whose decision on the summer. save s expected in the summer. Son will be putting forward a proposal on the regulation of Pall Mall, SW1.

insider trading. That proposal, in particular, will require some member states to introduce controls in areas where they have not existed before. G. E. Fritchew, rue the La Loi 200, B-1049 Brussels.

Personal pensions

From Mr P. Bennett Sir.—Undoubtedly the Gov-ernment's motives for permit-ting "free-standing" voluntary contributions by members of company pension schemes are

There can also be no doubt however that many pension scheme members are going to be losers as a result of this innovation. Commission-hungry intermediaries (who may not spend long checking out the virtues of the company scheme's AVC arrangements) are already exhorting employees to give the company scheme a miss and wait for the brave new world of October and

beyond.

The simple facts however are that any decent company arrangement will effectively channel commissions back into the members' investment, and other expenses of operating inscheme AVCs are borne by

the company.
"Personal" AVCs will prove expensive for the employee by comparison since commissions and expenses must be deducted from their investment. Moreover, trustees take great care in the selection and review of the scheme's AVC investment manager, often offering a choice in the process; few individual members could be confident of making such a careful selection, with or with-

mediary.
The message is plain. To all intents and purposes, personal AVCs are a high-risk invest-

3. The Old School House, George Street, Hemel Hempstead, Herts.

#### Time for a change?

From Professor P. Moore Sir,—Decimalisation of our currency came (somewhat be-latedly) to the UK in 1971. Why is it that, 16 years later Government Stocks are still quoted in units of fund of a pound? A glance at your page of Gilt Edged prices provides a power-Last year the Commission published proposals for Community legislation on the definition of banks' capital resources and is working on an harmonised solvency ratio. Equally, within the vency ratio. Equally, within the for a change?

(Professor) P. G. Moore.

An abridgement of the annual review by Mr. J. Ogilvie Thompson, chairman of Ánglo American Gold Investment Company Limited.

#### 'The fact that gold has weathered a difficult five years gives one confidence in the future of this unique metal'.

If is gratifying that in the Company's fiftieth year it should have achieved record earnings of R372.6 million, 10.7 per cent higher than last years record R336.5 million. Earnings per share increased by 10.7 per cent to 1697 cents and dividends were increased by 10.3 per cent to 1600 cents per share absorbing R351.2 million.

There can be little doubt that 1986 was a complex year for the gold. market. In endeavouring to chart the outlook, the statistical position looms large in any consideration. The commonly held view is that Western production and Comecon sales will remain high. Given this, and the fact that the Hirohito coin was a singular event suggests that the excess supply in 1987 will be even larger. Considerable efforts are being made by the new World Gold Council to stimulate fashion initiatives in gold jewellery which should bear fruit in higher consumption, especially considering the relatively low non-dollar price. For the near future though, the inevitable conclusion is that investment (including central bank) demand will be the key element if the current price range is to be sustained or, indeed, increased.

It is worth remembering that investment demand for gold was somewhat smaller, on average, from 1981 to 1985 than it had been in the preceding five years, notwithstanding the growing international accumulation of dollars in recent years. The earlier period, it is true, had been one of inflationary turbulence which had imported a significant stimulus to the gold market. But although this problem has been brought under control, it has been masked by unprecedented fiscal and payments imbalances among the major industrial nations which create a different source of tension and upheaval. The drama of adequate world growth, Third World survival and financial stability is far from over, despite the successful soft landing of the dollar until now. There are major geo-political implications arising from these issues, and the new and more permissive stance towards Third World debt taken by the IMF in conjunction with the World Bank attests to the acceptance that debt cannot be repaid except in an environment of growth. It remains to be seen whether this radical change in approach will succeed, given realistic scenarios for the world economy. The reversal of fortunes in Brazil and Argentina is a case in point.

In these perplexing circumstances, calls for a return to exchange rate stability are understandable. The latest G-5 agreement to atteviate trade imbalances and promote balanced growth may prove to be a step in this direction but such co-operation may be difficult in the face of the intractably high US budget deficit. The markets will deliver their verdict on the soundness of the international political and financial structure, and the intrinsic role of gold. The period chead may well see greater volatility in the gold price as the need for currency risk diversification is weighed against the perceived further potential performance of equities and other financial assets. It is an uncertain situation, in which a short-term trend is difficult to discern.

#### Labour

Compared to the control of the contr

As a result of concern about the effects of the migrant labour system and the consequential hostel accommodation of employees and also following recent legislative reforms, Anglo American Corporation has

drawn up a new housing policy for its administered mines to enable employees to live with their families in their own homes in a normal society if they so choose. Successful implementation of this programme will depend on the availability of land for proclamation, the speed of proclamation and the provision of infrastructures such as roads, schools and hospitals and, to this extent, a high degree of government co-operation will be necessary. In addition, further reforms such as the repeal of the Group Areas Act will also be necessary. The central feature in this housing programme is the freedom of choice, and to the extent that some workers may choose to live in hostels and that foreign nationals may be restricted from bringing their families to South Africa with them, hostels will continue to be an important form of accommodation. Thus, the programme of upgrading these facilities and of giving our employees greater participation in the management of the hostels will continue,

Within the strictures of the law, significant training and education programmes to man positions on merit have been implemented with some success and programmes are in hand to eliminate any remaining discriminatory practices on the mines. We cannot but be cynical about whether the government realty intends to remove these strictures and would call on it to demonstrate its bond fides in the matter by introducing appropriate legislation as soon as Parliament reconvenes. A significant responsibility for addressing many of the underlying causes of tension on the mines also rests with government. No industrial relations structure or system can cope with the growing politicization of unions which is the inevitable result of the lack of participation by blacks in the political process at national level and which inevitably results in considerable tension in the workplace.

#### Conclusion

While the statistical indications for the industrial and jewellery demand for gold, as against the supply potential, point to a cautious view on the price, such an outlook may well be outweighed by surprises flowing from the uncertainties of Latin American debt, the Iran-Iraq conflict and the precarious state of some financial markets. The fact that gold has weathered a difficult five-years gives one confidence in the future of this unique metal.

South Africa's two main problems are the inordinately high inflation rate and the urgent need for major political reform and the two are, of course, partly linked. Previously, Inflation flowed chiefly from inadequate monetary and fiscal management. More recently it is largely the result of the lower rand exchange rate which flows parity from the deterioration in foreign perceptions of the political situation. Any material improvement in the economy will require, first, an end to the violence and unrest, secondly, the abolition of all vestiges of apartheid and, thirdly, a clear commitment by all parties to introduce a new socio-economic dispensation that gives fair and equal opportunity to all and to negotiate with genuine representatives of all South Africans on an unconditional basis a new constitution entrenching human and political rights for all. It is to be hoped that the results of the general election for the House of Assembly on May 6 will facilitate and accelerate such

London Office: 40 Holbom Vioduct EC1P 1AJ,

# FINANCIALTIMES

Tuesday March 31 1987



## Pope prepares to tread sensitive ground of Chile

Chile this week at a time of increasing tension between the government of General Augusto Pinochet and the country's Roman Catholic

The Pope's visit, during a twoweek tour of Latin America will be one of the most politically sensitive of his career, and one of the most politically risky for General Pino-chet's 13%-year old military regime. In the past six months, four foreign priests have been forced to leave the country, a provisional bishop's office has been burgled in suspicious circumstances, and another bishop has received death threats.

The 18-year-old niece of Monsignor Carlos Camus, bishop of the southern diocese of Linares, was arrested last month by Chile's secret police, the CIN. In a court statement following her release, the young woman said she had been pressed to confess to terrorist activs, and threatened with sexual assault and torture if she did not cooperate. No formal charges were

ever made against her. The Chilean bishops conference referred to her detention in a pastoral letter a few days later, saying that while they did not expect their relatives to receive treatment different from other Chileans, "the fact that a young woman only 18-years old should be subjected to true psychic torture causes us to reflect on what thousands of Chi-

Bishop Camus then gave an interview to El Mercurio, a conservative Chilean daily newspaper, in which he implied that the left-wing guerrillas who attempted to assasinate General Pinochet last September might eventually be considered her-

"I believe that when this (the assassination attempt) is studied as an act of war they will perhaps be

China TV

deal for

**Maxwell** 

Group Newspapers, Mr Maxwell's

company, said that companies could offer films on new products for in-

clusion in the programme but added: "Any film that is boring

would not qualify for the pro-

The programme is being seen as a sponsored version of the BBCs

long-running programme Tomor-row's World for the world's largest

The project is being put together

by a Maxwell company, Pergamon Media Trust, and Great Eastern De-velopment (GED), a US-based Chi-

na trading organisation. Pergamon

GED is joining with CCIV and the China International Trust Invest-

Mr Fang Cunlin, deputy head of

World Weather

ment Corporation.



Political tensions are rising as the Pope sets out on his latest Latin American tour, Mary Helen **Spooner reports** 

Left: Pope John Paul II addresses the people of Peru on his last Latin American trip; and, right, the welcoming sight of Brazil's Sugar Lord Mountain,

spread to 10 other detention centres

around the country, with nearly 500 prisoners, many detained on terrorist or political charges, joining the

Supporters of the hunger strikers

ert town of Antofagasta, to inter-

The Government's heavy handed

treatment of Mr Olodomico Almey-

da, the former socialist foreign min-

ister who entered the country clan-

destinely and turned himself over

are calling on the Pope, who is due to visit prisoners in the northern

vene during his trip.

seen as heroes," he said. "They risked their lives. On the other steadily. Late last month, 14 prisoners at Santiago's public jail, including 11 men charged in the assassihand I see no heroism in a torture with an unarmed person."
The next day, Chile's Justice Minnation attempt against General Pinochet, began a hunger strike in protest of the military courts' handling of their cases. The strike has since

ister announced that the Government would present a formal protest to the Vatican over the bishop's The Catholic church has com-

plained that pro-government groups have sought to subtly ma-nipulate the publicity surrounding the Pope's visit. Monsignor Francisco Cox, executive secretary for the Chile Papal Visit Commission, said recently that the church was considering a legal suit against those responsible for changing the official visit slogan, "John Paul II, mes-senger for life," to "John Paul II, messenger for peace." Posters bear-. ing the modified slogan, which has less of a human rights message and refers more to the Vatican's mediation of Chile's territorial dispute with Argentina in the Beagle Channel, have appeared on buses and in

lect unwanted international attention from his case during the Pope's

peared in the past few weeks. In two separate incidents in the city of Concepcion, an industrial zone on the Pope's itinerary, bombs have three others this month.

Left-wing guerrillas also caused a partial powercut in Santiago earlier this month just as General Pinochet was delivering a televised speech marking the anniversary of the Pinochet regime's constitution.

Meanwhile, in the working class municipality of Pudahuel in western Santiago, a facelift is underway ahead of the Pope's arrival. The area, where at least half the workforce lacks stable employment, and

#### to the courts, has prompted sharp criticism from Chilean opposition where discontent often boils over than 12 years in exile, was detained into rioting during anti-government as he left the court and sent into inprotests, boasts a new church, and ternal exile, in Chile's remote southern territory. Chilean officials fresh paint now coats walls previ-ously covered with political graffiti.

## Pretoria minister's withdrawal deals fresh blow to leadership

BY ANTHONY ROBINSON IN JOHANNESBURG

Nel, South Africa's former Deputy Information Minister, as a National MR Robert Maxwell, the British Party candidate only hours after the apparent suicide of Mr John Wipublisher, yesterday announced an agreement to provide programmes on Western science technology and industry for China Central Televiley, the Minister for Environmental Affairs, has given another shock to a ruling National Party leadership The deal covers 52 half-hour profacing an electoral challenge from grammes for a series called What's both left and right.

New, which will be co-produced by Mr Nel survived removal as Deouty Foreign Minister in 1985 after Mr Maxwell said yesterday: "It's | making clandestine visits to the rea new route into China and a direct | bel tance (MNR) unbeknown to Mr Pik means of communicating with key Botha, the Foreign Minister, only to The project will be financed by a | be sacked again last November as mixture of sponsorship and up to Deputy Information Minister. He four minutes of advertising time for each programme. Mr Bryan Cowhis political career in favour of a each programme. Mr Bryan Cow-gill, deputy chairman of Mirror new one as a business legal consult-

> In his last ministerial post Mr Nel embarrassed the Government by spending more than R4.5m (\$1.46m) on a controversial, multi-racial pop-song. But his latest business ven-

THE WITHDRAWAL of Mr Louis ture could have proved equally as According to a report in the Jo-

hannesburg Sunday Times, Nr Nel, acting in his private capacity as a self-proclaimed "international business consultant," was involved in a bid by Japanese businessmen and bankers to buy surplus land surrounding the South African embassy in Tokyo. The Foreign Ministry was involved on its own behalf in sell the land in order to partically finance the building of a new ministerial headquarters in Pretoria.

withdrawn through personal choice and not because of pressure following the revelations. But there is little doubt that the issue could still damage the high profile campaign West generally for allegedly doing by President P.W. Botha, who has the Kremlin's work for it by trying tried to make the question of finan- to weaken South Africa through cial probity a major campaign plat- sanctions, disinvestment and other

Mr Nel's activities were under taken as a private business venture unrelated to perty fund-raising, but he may well have weakened President Botha's attempt to portray the National Party as a model of probithe three independent candidates and anti-apartheid organisations, of illegal fund-raising and improper use of foreign funds. The campaign is part of Mr Botha's strategy of blaming foreign interference for many of South Africa's (and the Na tional Party's) current problems.

Mr Nel said yesterday he had last week at Lichtenburg, in the heart of the right-wing western Transvaal farming area, Mr Botha raised the question of foreign fund-ing and attacked America and the

## France may expel Soviet diplomats

BY DAVID HOUSEGO IN PARIS

THE French Government is considering the expulsion of one or more Soviet diplomats after finding that the Soviet embassy in Paris was im-plicated in an industrial espionage network to gather information about the Ariane space rocket and other sensitive industries in the education at CCTV said the series

was an entirely new concept.

The deal is part of Mr Maxwell's long-term ambitions to be a global broadcaster. The British publisher Seven people, including the head of the Rouen office of Insee, the charged 10 days ago, with supplying claimed yesterday that he was talkinformation to a foreign power.

According to leaks in the French press yesterday, they were not only ing to Comecon, the organisation of Eastern European states, on the possibility of delivering satellite broadcasting channels to Eastern sted in the new third stage motor being developed for the Ariane rocket but in other aerospace Mr Maxwell also confirmed that he was talking again to the French authorities about investing in TDF-

and high technology companies in the Normandy area, including Hispano-Suiza, Thomson and Matra.

The Soviet official named as ma-naging the network is Mr Valeri Konorev, the assistant air attache. But six other Soviet diplomats are also said to be involved The French Foreign Ministry de-

clined to comment on the case yesterday. Both Mr Jacques Chirac, the Prime Minister, and Mr Jean-Bernard Raimond, the Foreign Minister, are in the US on an official visit. For Mr Chirac, the advantages of taking a tough stance with Moscow are largely offset by not wishing to undermine his own planned visit to the Soviet Union in May. Franco-Soviet relations were badly strained by the French expulsion of 47 Russian diplomats in 1983.

Among the plants in which the Soviets appeared to have been interested in Normandy are the Société Européene de Propulsion SEP were also arrested.

(SEP) at Vernon which is develop-ing the new cryogenic motor for the Ariane; Hispano-Suiza which makes thrust reversers at Harfleur for the Boeing airborne early warning aircraft; the Renault plant at Sandouville; and Thomson telephone and cable plants.

The leader of the group Mr Pierre Verdier appears to have been drawn into providing information for the Soviets through Mrs Anton-ella Manole, a Romanian who worked in his office. Mr Verdier later travelled to the Soviet Union and married a Soviet. He was given away by Mrs Manole, who, jealous at his marriage, informed the Prime Minister's office by letter

An Insee official in Paris and a technician working on contract at

#### Plain talk in Moscow

Continued from Page 1

of nuclear weapons from European

the British Government of dragging its feet in efforts to improve economic and technical links. He said: so be real progress in negotiations | Socialist Prime Minister Laurent |
There will be no progress if the to deal with the Warsaw Pact's su- Fabius, drove regularly to her hus-There will be no progress if the British side intends to persist in its that are standing in the way and that either exclude the items we find most attractive, impede the access of Soviet goods to your mar- the one with more to reduce them. assembly lines. Even though Citro-

added that "The next few weeks dium-range missiles must have con-will show whether Nato is indeed straints on shorter range missiles prepared to remove the whole class to ensure there is no circumvention. She said that the next stage must be further negotiations to reduce the imbalance of shorter range mis-

> She also said that There must alperiority in conventional forces." She quoted a recent proposal by Mr in a purple and black 2CV. Gorbachev himself that the way to Sadly, that time has now o deal with this is not for the one with ter 38 years during which nearly 5m less to increase his forces but for 2CVs have rolled off the Levallois

Mrs Thatcher supported the US en insists that preduction will connon-competitive."

Mrs Thatcher, in her speech, stressed that any agreement on me-

#### Swedish arms group admits Iran sales

INDUSTRIES. company at the centre of an arms smuggling investigation, admitted yesterday that Bofors, its ordnance subsidiary, sold weapons to countries in the

Middle East via Singapore in a clear violation of Swedish law. The revelations raise the question of whether the Singa-pore authorities knew that Singapore companies were illegally re-exporting Swedish

Mr Anders Carlberg, manag ing director of Nobel Industries, hinted that the deals may hinted that the deats may simply represent the tip of the iceberg, and that separate investigations by the police and customs could confirm allegations that the company sold explosives and gunpowder to

"We have not gone through everything. There will probably eb other export orders which will come out of these investigations. Their size is not known, said Mr Carblerg. Swedish companies are for

bidden to sell weapons to countries in areas of conflict, includink the Middle East. The Bofors investigation has reed created a political storm in Sweden amid suspicious of government involvement, and has damaged Sweden's reputation as a neutral country.

Nobel Industries previously denied charges of illegal arms exports, but in a volte-face—prompted by reports in the Swedish press last week—the company now admits that Bofors surface to air missiles were sold to Bahrain and Dubai via Unicorn a Singapore company which is indirectly controlled by

Bofors delivered the missiles to Unicom between 1979-80. They were re-exported between 1979-81 to Bahrain and Dubai and the contracts werew orth between SKr 50m and SKr 100m (£4.9m and £9.7m). Further deliveries of missiles

and radar components subse quently took place, the person nel from Bahrain received weapons training from Bofors at its Swedish headquarters. Nobel Industries has admitted

that deliveries of ammunition. gunpowder and explosives took place without the knowledge of the Swedish authorities. The investigators have customs investigators have already claimed that Nobel cooperated with other West European arms and explosives manufacturers in supplying

#### Life after death for Citroën 2CV

Continued from Page 1

But the fact that the car will no longer be made at Levallois sug-gests that the writing is now on the wall. The decision to shut down the plant reflects the steady fall of 2CV sales. Although the car continues to provoke a sense a great affection and warmth in France, its sales have declined by 47 per cent be-tween 1983 and 1986. "We sold 26,300 2CVs in 1983 and only 14,000 last year," Citroën said yesterday. Only about 150 2CVs are current

ly produced each day - 100 at Levallois and 50 in Portugal. Moreover, the Levallois plant, which employs just over 1,000 people, was like oth-er old car plants in the Paris area, doomed in the longer term.

These plants in the Paris suburbs have been gradually closed because the cost of modernising them has become prohibitive. At the same time, the Peugeot group has been recentring its industrial activities on a number of core, large-scale plants as part of its recovery programme which has returned both the Peugeot and the Citrõen divi-

sions solidly into the black
Although the 2CV will continue to
be made in Portugal, it will no longer be quite the same again for the French car industry and genera-tions of French motorists who started and some ended their driving careers with the 2CV.

The car has traditionally been the French students' car par excellence. With its canvas roof, it was for years the cheapest convertible on the market. It is also a car firmly rooted in the French provinces and one of the most popular cars among farmers and artisans. When the Scoialists were in government, the 2CV received a new boost when Mme Françoise Castro, the wife of band's office, the Hotel Matignon

Sadly, that time has now come af-

THE LEX COLUMN

## Dilution not to taste

As the dollar flounders, gold shares are shooting through the roof it is just like a reron of the late 1970s. But nostalgia is not an emotion that everyone enjoys. Equities had a very shaky time yesterday. And as for falling interest rates: for-

British & Commonwealth is soon to offer a unique investment opportimity: 20 per cent of an unquoted stakes in a morass of busine ranging from lime aggregates to ho-tels in Mauritins via biotechnology. It may well be that only develop-

ment funds will be interes opportunity, but it is simply wrong that existing B&C shareholders were not given at least an option not to have their holding in the group diluted. After all, they have already shown their willingness to invest in the B&C mix.

If it were not for their unwillingness to subject this collection of investments to the fullest market scrutiny, the directors of B&C might have chosen demerger as the best way to disentangle the management problems involved in the existing corporate structure.

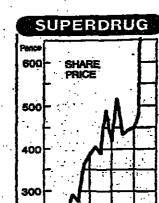
That would also have the merit of letting the market decide the value of the new public company. Instead the job will be left to BZW. It will have to screw a very full price out of the new investors if B&C shareholders are to be pacified.

If BZW succeeds then the positive side of the exercise will be revealed: the City is meant to impute the new higher value to the unglamorous side of the company, add its own valuation of the financial service side, and pronounce that B&C shares are dramatically undervalu-

But at 450p, down 20p, the B&C share price suggests that the vir-tues of Mr John Gunn's latest deal are not transparent to his followers.

#### Shearson Lehman

American Express's reasoning that selling off at least part of Shearson Lehman Brothers will increase its own share price is not the greatest buy recommendation for the forthcoming public offering. If owning the third largest brokerage house on Wali Street is just



volatile business, why should any-one else want to have a piece? Nippon Life has good cause to pay over the odds for the 13 per cent share it

And perhaps the senior employ-ees at Shearson Lehman, whose non-compete contracts agreed at the time of the merger three years ago are soon to expire, wanted an equity option incentive. But the urgency of American Ex-

ress's decision, first rumoured earlier this month, to cut its stake in Shearson Lehman to 80.5 per cent raises suspicions. Only a few months ago it was ready to pay \$1.6bn for E.F. Hutton to enlarge

SEC registration of the partial float on a day when the US stockmarket slumped, served to emphasise the low quality of broking earnings.

The scandals on Wall Street have damaged the rating of the broking sector. So has the need for more capital in the merger and acquisi-tion business. And if 1986 does turn out to be the cyclical earnings peak, a historic multiple of around 11 for Shearson Lehman, at the indicated \$34 to \$38 price, in line with the sector, may not be low enough.

#### Woolworth/Superdrug

Woolworth is to be congratulated

And whereas Underwoods wook have brought Woolworth a relat formula that has yet to be prov outside central London, and de-pends on prime locations to gen-erate heavy traffic, Superdrug has shown that it can roll forward, tanklike, on a broad front and can also trade successfully out of the secon-dary space with which Woodworth is so well endowed.

Superdrug's earnings per share for the year just ended are a fourtion lower than two years before and although the shares have on derperformed markedly in recent months (even since Woolworth broke off talks with Underwoods) the initial dilution will take a while

#### Hawley/BCA

After nine years of doing deals to-ether it seems unneturally fitting that Hawley Group and British Car-Auctions should take the plungs; a-pity the market decided to follow

Hawley sceptics who have not been persuaded by recent simplifications will complain of yet make paper and the lack of a cash alternative in a falling market. But as BCA was never a stock for sceptics, or for those who might feel queasy about a Bermudan domicile, there should be little dispute about the deal. In any case Hawley and the BCA board hold at least 20 per cent of BCA which combined with a few friendly institutions, leaves little room for dissent.

BCA is providing 23 per cent of historic prefits for about 20 per cent of the combined equity. But consid-ering it has, in effect, been on the market for several months an exit multiple of 15 is not imgenerous; while Hawley will provide took a broader base and plenty of cash in

And if the full listing in the US is imminent the Hawley stream of earnings may soon be taken more seriously than its artificial domicile, in which case the long-hoped-for re-rating could soon be achieved. BCA is unlikely to provide an im-

Woolworth is to be congratulated mediate earnings boost to Hardey for its ability to keep a secret as but at least this people business. much as for its choice of Superdrug, will stay in one piece and give it a On a multiple in the mid-thirties, useful fourth leg. A quick repay-Superdrug is not as highly rated as ment of those loan notes will Underwoods, with which Wool strengthen the Hawley balance worth was talking a couple of sheet and 26 cents of earnings (21 cents) looks feasible for this year.

Sales
J.47an.
slowly,
duced,
current
251m.
Seb's
with M.

De

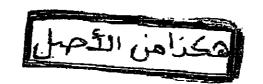
# At the heart of World currency movement



EBCAmro is a respected force at the heart of the world currency markets and a market-maker in Sterling, Deutsche Marks, Swiss Francs, Yen and Dutch Guilders. Already possessing a formidable reputation in the interbank market, corporate customers, too, have come to appreciate the same skills and terms of business.



A GREAT DEAL BETTER IN FOREIGN EXCHANGE EBC Amro Bank Limited, 10 Devonshire Square, London EC2M 4H5. Tel: 01-626 4606

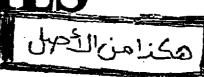




## SECTION II - COMPANIES AND MARKETS

## FINANCIALTIMES

Tuesday March 31 1987





## BASF reports sharp drop in profits but predicts upturn

BASF, the big West German chemicals group, reported a sharp drop in group profits for the whole of last year but said that business was expected to develop satisfactorily in coming months.

Same of

1 3 Table

್ಟ್ ಶಲವನ ಪ್ರಕ್ಷಕ್ಕು

23 L. V. L.

10 TH THE !

- 2 18 E

- 1 722 2320 |

1135 E. E.

Control of Section

in the last

್ವೀ ಬಿಡ್ಡು ಕ್ರ

Control and the

--- C 3.2 3 39

Ab Butware

**化加州的** 

7-1125 12 22

article artis

and the be

Transition (S)

्रक्त (Maria aan )

والمستعدد والمستعدد

and the first

Sec - Surred

ಞ ಖಾರಣಕಾಡಿತ ं हा अल्ल general and the

1.30 ----X22 or of the Head

Pre-tax profits in 1966 were down by 13.6 per cent to DM 253hn (51.450n) as a result of the fall in the dollar and lower oil prices. World sales slipped by 9.7 per cent to DM 43.1bn.

The result, which is in line with the trend earlier reported by the company for the first nine months, is the second from one of Germany's big three groups in the industry. Last week, Hoechst said its group profits were nearly 2 per cent higher at DM 3.2bn.

For the rest of 1987, BASF said business should move along satis-factorily, without the unusual infin-ences which affected 1986, such as the drop in the dollar and in oil

prices. Both the order inflow and backlog were still high.

BASF, based in Ludwigshafen, said it regarded 1986 as a successful year, since sales volumes had developed well, despite the drop in nearly all currencies against the D-

BY WILLIAM DAWKINS IN BRUSSELS

Net profits for 1986 fell from LFr 57.

LFr 57.8bn. Demand slackened

BY GEORGE GRAHAM IN PARIS

slowly, and financing costs were re-

duced, leaving the company with

Seb's buoyant results contrast

**Deutsche Bank** 

to pay DM 5

By Andrew Fisher in Frankfurt

DEUTSCHE BANK, the largest

bank in West Germany, is to pay a DM 5 (\$2.77) bonus to shareholders

on top of a maintained DM 12-a-

share dividend because of the sharp

jump in 1986 profits resulting from the flotation of the former Flick in-

That operation yielded the bank a

pre-tax profit of some DM 1bn, and it promised last December, when announcing its figures for the first

10 months, that a special bonus would be paid.

Profits on the Flick flotation ac-

counted for most of the bank's rise in partial operating profits for the

first 10 months. These were 54 per

without the Flick contribution, the

cent higher at DM 2.42bn tho

rise was only 2.5 per cent.

1.3

dustrial empire.

extra bonus

FFr 110m (\$18.3m).

steel producer, yesterday unveiled bolitical, union and company repre-an expected decline in profits and sentatives has therefore agreed to

sales and announced that it had slim Arbed's workforce by 2,000

reached agreement with the Gov- over the next three years, the inten-

ernment and unions on major job tion being to make all the reduc-

the year, leaving annual output present complement of 13,000.

down by 7 per cent to 3.73m tonnes.

Cash flow slipped from LFr 6.7m

Sales rose 7 per cent to FFr launches for three new products

3.47bn. Operating costs grew more during the year: the Calor irons, the

current profits up 37 per cent at FFr were sold - half of them outside



The group said that the rise in the --- Mark caused turnover to show a decline when translated into the German currency and also led to lower prices for exports from

prices in the petrochemicals sector. 2.7bn.

tions through early retirement at

The group indicated yesterday to LFr 5.7bn last year. Both sales down on the previous year, while that the outlook for the current 12 prices and demand continued to last year's deliveries declined by 3.8

months was gloomy and that pro-duction was expected to continue to weaken during the early months of per cent to 83.7m tonnes, said the 1987, but the EEC's provisional deci—Commission.

SEB, the French cooking equipment cooking equipment market, profit of FFr &m after losses of FFr ment producer, exceeded its earn-ings forecasts last year with a 57 losses of well over FFr 200m in Seb said that after extra costs

The Seb results follow successful

Seb pressure cooker and the Tefal electronic scales, of which 200,000

The Calor division returned to

bid which values the target company at £182m (\$293m). The acquisition will add another sector to Hawley's existing interests in cleaning.

The merger will reunite Hawley's Mr Michael Ashcroft and BCA's Mr

David Wickins, who disentangled

their companies joint investments in 1985 and 1988. Both men empha-

sised yesterday that BCA, which op-

erates 28 car auction facilities even-

ly split between the UK and the US,

within Hawley, under Mr Wickins

Hawley, registered in Bermuda since 1984, will give BCA the cash

resources to expand its auction net-

work in the US. BCA will have

security and food services.

Hawley to buy British

HAWLEY GROUP is to buy British \$100m to spend without board ap-Car Auctions Group in an agreed proval. "The average price of an bid which values the target compa-auction today is about \$7m whether

**Car Auctions Group** 

with Moulinex, its chief rival on the profit during the year, producing a of tax will be proposed.

Seb exceeds profit forecast

In most sectors, rises in turnover were achieved only through acquisi-tions and during the previous year and which had a full impact on the 1986 results.

The biggest of these acquisitions was the 51bn purchase of Inmont. the US motor paints and printing inks company, from United Tech nologies. It also bought other US and European carbon fibre and plastics operations.

BASF said that as well as de-

clines in turnover it also suffered profit falls in oil and gas, fertiliser, plant protection products, potash, and basic chemicals. In other areas, profits were higher as a result of previous expansion.

Thus, said the group, the overall DM 413m drop in group profits be-fore tax was roughly the same size as the write-down in stock values which occurred at the start of the year in its oil and gas operations, mainly at its Wintershall subsid-

At the parent company level, pre-tax profits showed a small 3.2 per

stood at 82.9m tonnes, 4 per cent

ry transfers and new product start

ups, a significant improvement in

profitability was expected this year.

ing by 5 to 7 per cent.

A dividend of FFr 19-a-share net

we create it or whether we buy it."

For Hawley, BCA is another high cash-flow, low-asset business. The

combined group will derive nearly

two thirds of its earnings from the

bined capitalisation of about £1bn," Mr Ashcroft said yesterday, con-

trasting the figure with Hawley's

Background, Page 36; Men.

and Matters, Page 26

founded it in 1946.

profits of \$83.3m.

"We're knocking on a total com-

Current profits are expected to

company said.

Arbed cuts jobs as sales fall

ARBED, the Luxembourg-based decline. A tripartite committee of sion to keep in place for the time The move fits neatly, neverthebeing the Community's crisis regime of production quotas should help to support the market, the The weakness of the EEC steel market was further underlined yes-

Net profits for 1985 fell from LFr 57.

1.12bn (\$29.8m) to LFr 890m on Arbed has already more than figures showing that crude steel turnover down by 11.4 per cent to have discovered from 27,000, production in February had the research from 1985 fell from LFr 57.8m. Demand of the research from 27,000, production in February had the research from 1985 fell from LFr 57. when recessions first started to hit reached 9.9m tonnes, a fall of 5 per

cently that the group was actively looking for acquisitions in the US.

to be a problem.

#### Italian fibres group posts sharp decline

tions and chemicals group which is under the effective control of Fiat, yesterday recorded a decline in its 1986 net profit of 28 per cent to L68bn (\$523m).

higher than the 1985 level. Exports accounted for 43.4 per cent of total

ny which is part of the IRI-Stat state-holding group, yesterday an-nounced a 41 per cent increase in company's turnover was unchanged at L505.4bn.

worth of £460 when Mr Wickins ny whose principal asset is a 51 per cent controlling stake in the Rinas-In 1986 Hawley reported pre-tax cente department stores group, has reported a 27 per cent rise in its

## steel group wins F&S **battle**

By Peter Bruce in Bonn

MANNESMANN, the big West German steel pipes and engineering group, yesterday won a three-month battle to take control of one

Mannesmann said it had bought a 75 per cent stake in the MEC Sachs Vermögensholding, which controls the 37.5 per cent stake once held by the late Mr Ernst Wilhelm Sachs in Sachs AG, the Fichtel & Sachs holding company.

In addition, the Commerchank has agreed to sell Mannesmann its 35 per cent stake in Sachs AG, the late 10 per cent of which was recently sold to the bank by Mr Guenther Sachs, Ernst Wilhelm's broth-

cluich producer. Turnover last vear was some DM 2.2bn (\$1.2bn). The group employs 17,000 in plants in Schweinfurt, Kitzingen and Hanau and in 30 subsidiaries in West Germany and abroad. Mannesmann did not disclose the cost of the ac-

ess, into efforts by Mannesmann to diversify away from its lossmaking steel pipes business into areas where it can expand its growing mechanical and electrical engineering skills.

A sharp recovery in profit at Mannesmann after difficulties three years ago has been somewhat blunted by renewed problems with

Turnover hovers around DM 18bn a year, and the group's chairman, Mr Werner Dieter, said re-

By Our Milan Correspond

increase by 20 to 30 per cent to more than FFr 300m, with sales ris-

£228,000 market value when he took over in 1978 and BCA's initial Saes, the quoted holding compa-1986 net profit to L14.9bn.

Turnover in BASF's oil and gas cent increase to DM 1.97bn on sales activities showed a marked fall last which were down by 8.5 per cent to ly all currencies against the Dyear because of the lower crude oil DM 18.75n. Group capital spending
Mark and the decline in oil and petprice. It also led to a reduction of was 8.2 per cent higher at DM

# German

of the country's biggest motor com-ponent groups, Fichtel & Sachs, for an undisclosed sum.

The chief competitor in the race for control of Fichtel & Sachs, the state-owned steel and engineering group Salzgitter, is now negotiating the sale of its 24.98 per cent stake in the group to Mannesmann as well.

Fichtel & Sachs is primarily a

markedly during the second half of the steel industry in 1975, to the cent compared with the same the year, leaving sunual output present complement of 13,000.

The assumption of control at Fichtel & Sachs still requires approval of the eartel antherities in West Berlin, but this is not expected

SNIA BPD, the Italian fibres, more

At the pre-tax level, and before interest charges, Snia made a profit of Li212bn (593.1m), an 11 per cent

rise on the previous year.

The Snia profit was struck on consolidated group turnover of 12,421bn, which was 4 per cent

The group's net debt declined from L718.4bn to L518bn while net equity rose by 83 per cent from L748.5bn to L1,372bn. Snia BPD is chaired by Mr Cesare Romiti, who is also managing director of the

Fiat group.

Sirti, the tele stallation and maintenance con

Scandinavian Finance B.V.
(Incorporated in the Netherlands with limited liability)

£20,000,000 Sterling Floating Rate Notes 1990

Guaranteed on a subordinated basis by Scandinavian Bank Limited (Incorporated in Great Britain with limited liability) For the three months

30th March, 1987 to 30th June, 1987 in accordance with the provisions of Notes, notice is hereby given that the rate of interest has been fixed at 101/16 per cent and that the interest payable on the relevant interest payment date, 30th June, 1987 against Coupon No. 28 will be £25.68.

Agent Bank: Morgan Guaranty Trust Company

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS

#### HAMBROS BANK LIMITED

Bearer Depositary Receipts for Shares of Cumulative Preferred Stock (Series A) \$1,00 Par Value \$10.00 Redemption Value (the Preferred Stock) of

\$10.00 Redemption Value (the Preferred Stock) of

COMPUTER INVESTORS GROUP, INC

Notice is hereby given that TTS, Ine (the Company), formerly known as Computer Investors Group Inc., will terminate with effect 30th April 16th the Steahange Agency and Deposit Agreement (the Agreement) pursuant to which the Bears' Depositary receipts (Depositary Receipts) were housed to receive the number of shares of Depositary Receipts are entitled to receive the number of shares of Preferred Stock equal to the sumber of shares stated on such Depositary Receipts. The resulting Preferred Stock to be delivered hereby shall be registered in such manner in a fc...n acceptable to the Company) as Holders of Depositary Receipts shall direct by written order (which shall include delivery instructions) delivered with the surrender of Depositary Receipts to the Depositary Receipts with the issued not later than 30 days following surrander of Depositary Receipts to the Depositary Receipts wishing to sell Preferred Stock to the Company at this price should do so by written request when surrendering the Depositary Receipts to the Depositary. The Company will confirm to Holders its unconditional acceptance of any offer. Payment in respect of any purchased Preferred Stock accepted by the Company will be made not later than 30 days following the receipt of the relative Depositary Receipts by the Depositary. Depositary Receipts, with compon No. 1 to 40 inclusive statehad, together with instructions required as aforesaid should be surrendered at the risk and expense of Holders to the Depositary:

Hambroe Senk Limited

LAPAD/PAAS Department

41 Bishoragate

London EC2P 2AA

31st March 1987

BULL OF FRANCE, Honeywell of

COMPUTER GROUPS NEAR COMPLETION OF JOINT VENTURE STUDIES

David Thomas in London reports on how three the US, and NEC of Japan, are completing a series of studies of how their new computer joint venture, computer groups are approaching the marketing, production and R&D aspects of their joint ven-Honeywell Bull, will affect their marketing strategies, manufactur-ing operations and product develop-

So far, most of the information about the joint venture, which was formally agreed last week, has con-cerned the financial and manage-

ment structure of the joint venture, which is based on Honeywell's inbecause the companies had already formation systems division. Bull is taking management control of the venture, with an initial stake of 42.5 per cent, building up to 65.1 per cent during the next two

Mr Brian Long, chairman of Hon-eywell UK, who has a place on the management committee of the new venture, yesterday disclosed the initial thinking about the venture's

A number of working parties had been established to look at the venture's implications for manufacturing and purchasing, marketing in Europe and North America and in-

ture, agreed last week.

Honeywell, Bull finalise details

These working parties would be reporting their recommendations to the new Honeywell Bull board by the joint venture distributing personal computers made only in-He did not foresee much scope for rationalisation in the short term venture might choose to base its PC

strategy around the NEC range, al-though no final decisions had been been co-operating closely in their marketing strategies before estab-lishing the joint venture. The former Honeywell organisation would remain responsible for However, Mr Long, who sits on all the working parties, said there the joint venture's operations in the UK and Italy, with Bull remaining responsible for the rest of Europe.

was immediate scope for distributing the three companies' products in new markets as a result of the joint venture. The three companies would be likely to develop a unified product strategy for the next genbeen large. eration of products.

As an example, Mr Long mentioned that the three companies offer different personal computers at present. Honeywell distributes personal computers made by NCR of the US, as well as by itself.

Bull's products aimed at the financial sector, such as its banking terminals, into the UK.

He also thought that components which Honeywell bought from other companies could be replaced by Bull or NEC components. For example, Honeywell bought large discs from IBM, but NEC also made them. Similarly, Honeywell might be able to source its printers from

Mr Long was certain that Honey-well's computer factory in New-house, Scotland, which employs about 250, would not be closed because of the venture, even though it makes the same minicomputer as a Bull factory in Angers, France.

He said the Scottish factory was This meant that Bull would not modern and efficient. In the longer be increasing its direct presence in term, however, there might be a dif-the UK, which traditionally has not ferent distribution of products between the Newhouse and Angers

However, the UK arm of the oper-ation is looking at how more Bull He hoped the venture could lead products could be sold in the UK to extra research and development work for the 350 staff at Honey-Mr Alex Russell, Honeywell UK's well's UK development centre in marketing manager, said he was Hemel Hempstead.

## Delhaize lifts income by 59%

BY WILLIAM DAWKINS IN BRUSSELS

DELHAIZE LE LION, the Belgian Discount Markets, a majority Del-supermarket group, which makes haize-owned spin-off from the At-just over half its sales in the US, yesterday reported a 59 per cent rise in group net profits for 1986. Consolidated earnings rose from BFr 852m (\$22.5m) to BFr 1.35bn

commercial strategy.

last year, mainly thanks to the eli-mination of \$9.5m of losses. They came from the disposal at the end of a majority share in the group's troubled Atlanta chain, Food Giant. That sale, plus the dollar's weakness, was also the prime reason for a fall last year in group sales from BFr 187.5bn to BFr 168.2bm. The

three food stores owned by Super

its "in line with forecasts," the company said yesterday. Delhaize's biggest US subsidiary,

Food Lion, saw its sales increase by 29 per cent to \$2.4bn over the same period. Its net income rose by 30 per cent from \$47.6m to \$61.6m during the year. Food Lion opened 71 supermar-

kets in 1986, bringing the total to 388. It plans to open another 85 this

year with sales 3.5 per cent ahead at BFr 59.4bn, at a time when the domestic retailing market stagnat-ed. Its net earnings were up more strongly, by 26.5 per cent from BFr 322, to BFr 408m. The board is to recommend to the next shareholder's meeting on May 27 a 20 per cent increase in the annual dividend to BFr 30 a share, net of with-

under the Honeywell Bull label.

Pingo Doce, Delhaize's Portuguese food distribution company, boosted its sales last year by 34 per cent to Esc 6.3bn (\$45m) and turned in a net profit of Esc 52m, as

CIR profits rise by 48 per cent

By Alan Friedman in Milan

CIR, one of the key quoted financial and industrial holding companies controlled by Mr Carlo De Benedetti, yesterday unveiled a 48 per cent jump in the 1986 net profit, to L56.5bn (\$43.5m).

The company, which is listed on the Milan, Paris and Brussels stock exchanges, is increasing dividend payments for ordinary and savings

shares by 35 per cent. CIR's holdings represent the core of Mr De Benedett's industrial interests and include effective control of Olivetti (office automation), Bui-toni (foods), Valéo (car compoagainst the 1985 total of Esc 10m. nents), and Sasib (engineering).

This announcement appears as a matter of record only

**NEW ISSUE** 



#### C. ITOH FINANCE (EUROPE) PLC (incorporated in England under the Companies Acts 1948 to 1983 on 9th October, 1984)

U.S.\$30,000,000

**Guaranteed Deferred Interest Accrual Floating Rate Notes Due 1992** 

unconditionally guaranteed as to payment of principal and interest by

C. ITOH & COMPANY (HONG KONG) LIMITED

(incorporated under the laws of Hong Kong)

Issue Price 100-1 per cent.

Wako International (Europe) Limited

Mitsui Trust International Limited

Prudential-Bache Securities International

Bankers Trust International Limited J. Henry Schroder Wagg & Co. Limited

March, 1987



#### The Kingdom of Belgium

Floating Rate Notes Due May 2005

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 65/4% for the Interest Determination Period 31st March, 1987 to 30th April, 1987, Interest accrued for this Determination Period and payable on 29th May, 1987 will amount to U.S.\$1,380-21 per U.S.\$250,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York

CITICORPS
U.S. \$500,000,000
Subordinated Floating Rate Notes
Due October 25, 2005
Notice is hereby given that the Rate of Interest has been fixed at 6.6% and that the interest payable on the relevant Interest Payment Date April 30, 1987 against Coupon No. 18 in respect of US\$10,000 nominal of the Notes will be US\$55.00. March 31, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

SHLF CO-SPERATION

Wells Fargo

International Financing Corporation N.V.

U.S. \$50,000,000

Guaranteed Floating

Rate Subordinated Notes

due 1996

In accordance with the

is hereby given that for the

Interest Sub-period 31st March, 1987 to 30th April, 1987

the Notes will carry an Interest

Rate of 6%6% per ansum. The interest accrued for the

above period will amount to US\$\$4-69 and total interest

payable per Note on 10th April, 1967 will be

ÚSS161-57.

Agent Bank: egen Gueranty Trest money of New York

visions of the Notes, notice

The Financial Three properts to publish this survey on the tollowing date:
THURSDAY, 14th MAY 1967 For further details on advertising in this publication please contest HUGH SUTTON on 248 8000 Ext 2228

This announcement appears as a matter of record only



#### SVENSKA FINANS INTERNATIONAL BV

(a wholly owned subsidiary of Svenska Finana AB, a subsidiary of Svenska Handshbankan

U.S. \$100,000,000 **Euro Commercial Paper Programme** 

Arrangers and Dealers Svenska Handelsbanken PLC Manufacturers Hanover Limited

> Issuing and Paying Agent Manufacturers Hanover Trust Company

## INTERNATIONAL COMPANIES and FINANCE

#### **Debt-hit** HBC to sell wholesaling interests

HUDSON'S Bay Co, the debt-bur-dened Canadian retail and property group, is to sell its wholesaling business to a private investment group as part of a strategy to concentrate on its department store and real estate interests.

Terms of the sale were not dis closed. The purchasers include members of the wholesale division's

Although the wholesaling divi-sion contributed more than an eighth of HBCs revenues in the year to to January 31, its operating earnings of CSE.2m (USSE.3m) were

cally 4 per cent of the total.

Cigarette and confectionery distribution and office coffee services comprise the bulk of HBC's wholesaling interests. The coffee service has 15,000 customers throughout

HBC, which has debts of C\$2.5ba has also recently disposed of its Ca-nadian and London for sales operations and the chain of stores in nor thern Canada which had their origins as the company's fur trading stations in the 18th century.

#### Construction groups agree to merger

By Our Montreel Correspon

CANADIAN FOUNDATION Co. Toronto and Banister Continental Edmonton, two of Canada's oldest and largest construction companies plan to merge. Combined 1986 reve nues were more than C\$300m (US\$229m) and net worth \$90m. Both are seeking more domestic and foreign business and both sur-

ived the 1982-83 recession, partly with the help of foreign work.

Banister will become a holding company and Canadian Foundation About 15 per cent of Banister's shares will be held by the Canadian arm of Sweden's Skanska AB con-

struction group.

The Banister family will control the company and has made an agreement with the Swedish group that any future acquisitions of Ba-nister shares by Skanska will not increase its holding to more than that of the Banister family.

## البنك السعودى العالمي المحدود Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED

#### Extract from Consolidated Accounts at 31 December 1986

	1986	1985
<del></del>	£′000	£'000
Share Capital and Reserves	141,831	135,631
Subordinated Loans from Shareholders	51,562	53,578
Total Capital Funds	193,393	189,209
Deposit Liabilities	2,968,426	2,665,406
Loans	1,213,935	1,278,011
Total Assets	3,226,882	3,064,759
Profit before Taxation	17,836	19,145
Profit attributable to Shareholders	10,200	11,100

Shareholders: Saudi Arabian Monetary Agency, National Commercial Bank (Saudi Arabia), Riyad Bank, Morgan Guaranty Trust Company of New York, The Bank of Tolcyo, Ltd., Banque Nationale de Paris, Deutsche Bank AG, National Westminster Bank PLC and Union Bank of Switzerland.

99 Bishopsgate London EC2M 3TB Telephone 01-638 2323 Telex 8812261/2

# Legal battle likely over Usego-Trimerco

ing the announcement that the Zn-rich-based Denner group now owns

(\$789m), last year reacted sharply shops. In 1988 total group turnover to large-scale purchases of its -including sales of the Pronto-Reissheres. The board claimed that en travel agencies - rose by 8.3 per

A LEGAL battle is likely over control of Usego-Trimerco Holding, a leading Swiss retail group, following the announcement that the Zatalah based Polymer group is one of Switten and Polymer group is one of Switt

a majority shareholding.

Usego, whose 1985 turnover amounted to almost SFr 1.2bn shops and the Wellsce chemists

Mr Schweri has now disclosed that he was responsible for buying up Usego shares, stating that he

now owns 52 per cent of overall

name of their former owners. Usego chairman Mr Paul Buergi has said that the board does no propose to enter these shares into the register so as to give Mr Schan-Although he says these include ri a voting majority. His company, over three-quarters of all Usego which sees the Denner move as bearer shares, Mr Schwer's votingrights majority appears to be suing Mr Schweri for alleged unfairhlocked by the fact that some of the

### Mine doubles capacity

CAPACITY at the Round Mountain Echo Bay Mines of Edmonton, the

said that the expansion would raise ing. the biggest US gold producer, annual output to 300,000 cunces and Case Pomercy and Co, a pri-when completed at the end of 1988.

Mine in Nevada, the world's biggest fast-growing Canadian gold product-heap-leach gold producer, is to be doubled at a cost of \$140m.

The mine's three shareholders

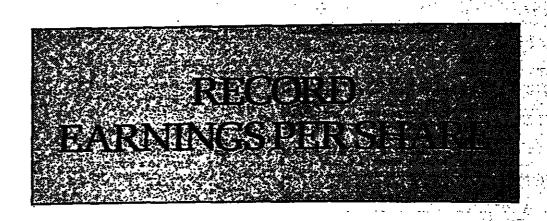
Fight Day mines of Entimated, the fast-growing Canadian gold producter, has a 50 per cent interest in Round Mountain, with the rest split equally between Homestake Min-

### Canadian mill plan

of Montreal on the St Lawrence south shore, is getting back on lays in negotiating federal financial track.

Last January Saughrugs of Nor-

A C\$420m (U\$\$323m) project to build a 210,000 tonnes yearly capacity super-calendered paper mill at Matane, about 50 miles north-east C\$280m to more than C\$400m. The Quebec Government said de-



The strong recovery shown in the first six months continued with the result that the profits before and after taxation for the year were also records and the earnings per share increased by 17.5% to a new high of 16.1p.

The taxation charge returned to a more normal level.

Despite the expenditure of £27m cash on the acquisition of companies (with existing borrowings of £8m) Group net borrowings at 31st December 1986 were only £2m higher than the previous year.

Since the end of the year two significant events have occurred. Firstly, on the 12th February the U.K. cement manufacturers ended their 53 year old Common Price and Marketing Arrangements. Although a period of adjustment can be expected our division, Rugby Cement, is well prepared to operate in these changed circumstances. Secondly, the Hotel companies in Western Australia have agreed terms for the Parmelia Hotel for a cash consideration of A\$31.5m (£13.5m) some £7m over its 31st December 1986 book value.

Shareholders will be asked to approve at the Annual General Meeting on 5th June 1987 a change in the Company's name to The Rugby . Group PLC.

1987 has started well.

G.A. Higham Chairman

30th March 1987

Results in Brief	1986 £m	1985 £m
Tumover	313.3	252.2
Profit before tax	35.5	21.8
Earnings	23.0	18.0
Ramings per share	16.1p	13.7p
Dividends per share	7. <b>0</b> p	6.4p.
Exchange rates used: US\$ -£1 A\$ -£1	1.45 2.23	145 247
Full financial statements will be de of Companies and carry on unqua	slivered to the lifted audit rep	Registror Off.



For a copy of the 1986 Report & Accounts, please contact: The Secretary, The Rugby Portland Cement P.L.C.; Crown House, Rugby CV21 2DT. Tel: 0788 2111.



£150,000,000

Floeting Rate Loan Notes

U.S.\$50,600,000 ting Rate Notes due March 1988

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the next interest period has been fixed at 61% per annum,
The coupon amount will be
US\$3,431,25 and will be payable
on 30th September, 1967 against
surrender of Coupon No. 13.

Agent Bank:

Wells Fargo

& Company U.S. \$150,000,000

Floating Rate Subordinated Notes

duc 1992

evovisions of the Notes, notice is hereby given that for the Interest period 31st March, 1987 to

30th April, 1987 the Notes will carry an Interest

Rate of 6-60% per annum. rest payable on the releva

interest payment date
30th April, 1987 will amount
to US\$55.00 per US\$10,000
Note.

inputy of New York
London

NATIONAL BANK OF DETROIT US\$198,000,908

Notice is hereby given that in respect of the Interest Period from March 31, 1987 to June 30, 1987 the Notes will carry an interest rate of 694% per annum, The coupon emount payable on June 30, 1987 will be US\$167.47 per US\$10,000 Note.

March 31, 1987 The Chase Manhetten Bank, N.A. London, Agent Bank

Notes will carry an interest rate of 676% per annum. The interest payable on the relevant interest payment date, 30 April, 1987 will be US\$34.69 per US\$10,000 nominal amount in Bearer (Coupon No. 20) or Registered form and US\$1,367.19 per US\$250,000 denomination in Bearer form Coupon No. 20).

31 March, 1987. The Chase Manhattan

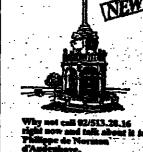
The Republic of Italy

U.S.\$500,000,000 Floating Rate Notes

due 2005

In accordance with the provision of the Notes, notice is hereby given that for the Interest Period from 31 March, 1987, to 30 April, 1987, the

Notes will carry an interest rate o



LIEGE

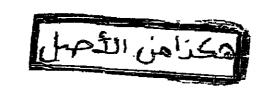
0 Bank, N.A. London, Agent Bank.

U.S.\$200,000,000 CONTINENTAL ILLINOIS OVERSEAS FINANCE CORPORATION N.Y.

(Incorporated with limited liability in the Netherlands Antilies) GUARANTEED FLOATING RATE SUBORDINATED
NOTES DUE 1994
Guaranteed on a Subordinated basis by

Continental Illinois Corporation (incorporated with limited liability in Delaware, USA) Incorporated with timited liability in Delgware, USA) in accordance with the provisions of the Notes and the Reference Agency Agreement between Continental Illinois Overseas Finance Corporation N.V. and Citibank, N.A., dated June 24, 1982, notice is hereby given that the Rate of Interest has been fixed at 61/16% p.a. and that the interest payable on the relevant Interest Payment Date, June 30, 1987, against Coupon No. 20 will be U.S.\$169-05 in respect of U.S.\$10,000 nominal amount of the Notes.

March 31, 1987, London By: Cribank, N.A. (CSSI Dept.), Agent Bank CITIBANCO



American companies are mancing in Europe. European companies are financing in America. The Japanese and Koreans are expanding their financing horizons. What is now required of an investment bank is the depth and

THERE IS ONE WORLD MARKET. AND THERE ARE 24 HOURS

IN A DAY. AFTER THAT, IT IS ALL IMAGINATION, AGILITY, AND MUSCLE.

breadth of experience to serve the whole client almost anywhere on earth.

We are unique in this regard. Our \$2.65 billion in capital assures you the best pricing possible. Our willingness to put it to work means we will carry your paper if necessary.

We are acknowledged to be a U.K. and European expert in U.S. stocks: And perceived in U.S. markets as an expert in

international equities. We were the first investment bank to sell MMP™ stock for European issuers

in the U.S. market. Including a \$100 million placement for Michelin. We have the worldwide distribution system to sell \$200 million worth of Kingdom of Belgium Floating Rate Notes in one day. And turn over \$1 billion in Deutschemarks in one week.

Our \$1 billion Kingdom of Denmark issue still remains one of the largest fixed-rate debt issues ever in the Euromarket. We were the lead manager of the Italy Fund. As well SHEARSON as the lead manager for Toyo Trust, in the first federal funds-based Eurobond swap.

Capital is now the world's global language. There are those who understand this. And those who do not.

Talk with us. In New York, please call Greg Sacco or Jim Stern at 640-7272. În London, Jacques Gelardin, 626-2525. In Tokyo, Kiyonobu Shimazu, 505-9000. MINDS OVER MONEY®

An American Express company



Hilary Barnes on a method of property finance of 140 years standing

## Danes try mortgage system in UK

IT IS somewhat surprising to Turnover in the bond market find that Denmark with a populast year exceeded DKr 4,000bn. find that Denmark, with a population of only 5.1m, boasts some of the largest secured credit

corporations in the world. These are the three principal mortgage credit associations, Nydkredit, Kreditforening Danmark (KD) and Byggeriets Realkreditiond (BRF). Nydkredit and KD have balance sheets of DKr 250bn (\$36bn) and DKr 264bn respectively (twice as big as the biggest bank), BRF of DKr 100bn.

The associations, which are self-owning, issue bonds on the stock exchange to finance all forms of real estate from cottages to farms and factories. The bonds are col-lateralised by the real value of the property while the borrower, his income and wealth, are in principle irrelevant.

The Danish mortage finance system has been in operation for 140 years or so and the Danish bond market is enormous, even by international standards. Outstanding bonds, in nominal value, are worth over DKr 1,000hn (\$140hn), of which mortgage bonds account for about 60 per cent and government paper for the rest.

national Bank, the London-based consortium bank 50 ptr

cent owned by the Saudi Arabian Monetary Agency, have

agreed to increase the bank's

of England introduces new capi- East, we tal requirements later this year. Europe

Saudi International plans

SHARROLDERS of Saudi Inter- - but that such a move was

capital.

The bank, which released 1966 results yesterday showing a fall in pre-tax and net income, said shareholders had agreed to commit a further £50m in capital. Some £27.5m will be paid up in cash this year, taking capital funds to £220m.

The bank hopes the move will preclude the need for any further increase after the Bank of England introduces new capital requirements later this year.

and other international banks including National Westminster, reported that pre-tax profits dipped to £17.5m from £19.1m, while net profits fell to £10.2m from £11.1m.

Total assets rose to £3.25hn at the end of 1986 from £3.06bn a year earlier, while its loan portfolio shrunk slightly to £1.21bn from £1.28bn. Some 15 per cent of that portfolio is in the Middle East, while 40 per cent is in Europe.

Mr Peter de Boos, chief
executive officer of the bank, cent to £47.6m, trading, fee and said the bank, following the pattern of some other international banks, was thinking of switching its capital base from switching its capital base from steeling and the statement banks and its expanding in the statement of the statement banks and its expanding in the statement banks and its expanding in the statement banks.

sterling - perhaps into dollars vestment banking activities.

increase in share capital

Until recently, the mortgage credit associations were permitted to do business only in Denmark. In 1985, however, they were authorised to under-take housing finance abroad and have in fact provided finance for a modest amount of residential building in Germany.

From January this year they have been permitted to undertake financing of commercial property as well.
"We pressed for government

permission to finance office and factory building, as this is the business in which the Danish construction companies are interested," says Mr Hans Ivan Hansen, managing director of

The UK is the most interesting market for this type of business, he said. "We hope we can finance building for £35m to £40m (\$56m to \$64m) over the next few months."

A start will be made with the first payment of money, about £2m, to finance two refurbishing projects, an office and a retail stores project, in London There is a ceiling of 5 per

not imminent.

The bank, which is 20 per cent held by Morgan Guaranty of New York and the remain-

ing 30 per cent by seven Saudi

and other international banks

the associations are allowed to finance abroad. This means about DKr 700m a year in the case of Nydkredit, but as it has not so far been able to use the full allocation, it has "saved up" about DKr 2bn in foreign financing capacity.

Although the Danish system
of bonds issued against real

values is essentially simple and cuts administration to a mini-mum, it is nevertheless unusual. We had to spend a long time "We had to spend a long time explaining to our English colleagues how the system works," said Mr Hansen. He thinks that the Danish associations offer several attractions, which should make them competitive.

Loans are fixed interest, 20year annuity loans (but interest rates are reviewed every five years), as opposed to the variable interest loans typical in the UK.

on the UK.

The real value basis of the loans facilitates standardised treatment of loan applications, which can be handled speedily.

Low administration costs mean that Nydkredit's financing costs are considerably lower than normal UK rates.

Loans can be split (if a property is sold off into owner-

Seven-year \$1.5bn debt

facility for GPA Group

for aircraft purchase and to which can be refinance its existing bank debt. leasing company.

The facility, being arranged

under a contract signed in

GPA is a privately held company whose main share-holders include Air Canada,

with a 17 per cent stake; the Guinness Peat group with 15 per cent; Aer Lingus with 11

The seven-year facility will be

renewable annually up to a maximum of 12 years and allows

for advances or note issuance via tender panels. The financing

GPA GROUP, the aircraft leas- againstall the companies' assets,

ing and finance company, is instead of the usual mortgages seeking a \$1.5bn debt facility against individual aircraft,

by Morgan Guaranty, will be anstalt, Austria's largest com-put towards the purchase of mercial bank, has set up a about 80 Boeing 737 aircraft, £100m certificate of deposit

per cent; and a variety of bank. Paper can be issued in Japanese and US financial dollars or sterling.

There are no penalty payments in the event of resale, and the mortgage follows the property. The main disadvantage for

the Danes is the 29 per cent UK withholding tax on the first £30,000. This makes ordinary housing finance unattractive. as the association's cash-flow is affected, and while the money withheld is repayable, it may take a year for it to be paid

Dispensations are given for payment of gross interest, but in the case of housing this disadvantages the debtor. The problems are simpler for business building, partly because the dispensation to pay gross interest is easier to obtain and partly because the debtor does not have the same tax deduction opportunity as the home owner and is there-fore prepared to pay gross

Loans are issued in sterling at rates which relate to UK capital market rates, and while the initial business will be done for properties in which Danish construction companies are involved, a Danish involvement is not a condition of doing business, said Mr Hansen.

which can be clumsy for a

In other financings, Credit-

programme, arranged by S. G. Warburg. The other dealer for

the paper is County NatWest Capital Markets.

Warburg was appointed sole dealer in a £100m certificate of

deposit programme for Kan-sallis-Osake-Pankki the Finnish

Morgan Guaranty started

syndication yesterday of a \$75m, seven-year facility for Salemen, the French ski-gear

Salemen, the French ski-gear manufacturer, intended to back-

#### **Guidelines** from IPMA on reporting dealers

By Our Euromarkets Staff

INTERNATIONAL Primary Market Association (IPMA), the trade association of the Eurobond primary market, is recommending that lead and co-lead managers of issues should register as re-porting dealers, in line with secondary market trading rules recently put in place by the Association of Inter-national Bond Dealers.

which comes in response to concerns about the secondary market liquidity of new group of guidelines approved by IPMA at its annual general meeting over the weekend.

No date has yet been set for implementation of the reever, reflecting the difficul-

ties some houses have had in putting systems into place to conform with the AIBD rules. year, they have been required to report closing bid and offer prices for all bond issues in which they have committed themselves to making markets. Since March 2 they have also had to supply the day's highest and lowest deal-

that, under normal circumstances, lead managers of an issue should remain registered as reporting dealers for a minimum of 12 months after launch, and co-leads for a minimum of six months. It has also agreed to stiffen its membership criterion, to adjust to the mushroom growth of new issue activity over the last few years. Next year, a house will have to had run the books on 12 new issues in the previous two calendar years—double the previous requirement — in order to qualify for membership of the association. From now on, the criterion will be reviewed every year. The association has also

approved the implementation of the IPMA Communications System, designed to speed up syndication procedures and reduce the risk of co-managers becoming confused about the terms of a deal.

link between computers, is ntended to replace the traditianal method of putting to-gether an underwriting group by means of telephone calls and invitation telexes.

IPMA has no power to impose its recommendations, but any deviation from its accepted rules must be made clear at the time of invoting commangers into a deal. ● Mr Hans-Joerg Rudioff, deputy chairman of Credit Suisse First Boston, has stepped down as chairman of IPMA's market practices committee and will be replaced by Mr Hans de Gier, manag-ing director of Swiss Bank Corporation International

signed from IPMA's heard because of other engage-ments. Mr Joan Bock, an executive director of Credit Suisse First Boston, will re-

#### Steady growth in sterling CP

THE NEW sterling commercial paper market continued its steady growth last month, Bank of England figures

outstanding paper rose £227m in February to £889m. Issurance totalled £729m and redemptions £502m.

The amount of paper held by UK banks for their own account rose £79m to £271m, of which £211m was to

British companies.
Thirty companies have reported issues since May 1986, when the Bank gave the general for the launch of the market.

During February, the Bank was notified of a further seven new programmes, with a maximum amount issuable

#### Royale Belge earnings up by 47%

ROYALE BELGE, the leading Belgian insurance group which has become the target of increasing takeover specu-

of increasing takeover speculation in recent weeks, yesterday amounced a 47.4 per cent irse in net profits for 1986.

Net profits at Royale Belge rose from BFr 2.33bn to BFr 3.435bn (\$91.1m) last year on turnover down alightly to BFr 39.3hn. After a transfer to reserves of augnity to BFT 39.3hm. After a transfer to reserves of BFr 3.5hn, shareholders' funds climbed from BFr 9.2hn ...The board is proposing a special dividend of BFr 28 in recognition of the "exceptional" nature of the results, on top of dividend increases of un to 40 per cent for the of up to 40 per cent for the four classes of Royale Relge shares. Trading conditions remained favourable during the first months of 1987, the company said,

## Fixed-rate Eurodollar deals take a battering

day, along with the US Treasury bond market, on concern that recent central bank intervention had failed to stem the drop in the dollar. The decline was also spurred on by a sharp fall in the US equity market. Prices of five-year Eurodollar

issues fell by about a percentage points, and those of 10-year issues by 14 points, in thin, nervous trading. The Eurosterling market also essed. Equity-related bonds dominated piecemeal new issue activity

led a \$100m equity warrants bond for Kansallis - Osake-Pankki, the Finnish bank, which became only the second Finnish borrower to launch such an issue. The deal is designed to take advantage of increased overseas interest in the Finnish equity market, especially in the wake of the recent easing of limitations on foreign ownership of Finnish

The seven-year bond, with an indicated 41 to 41 per cent coupon, carries five - year warrants exercisable into KOPs

EURODOLLAR fixed-rate bond price in Helsinki on the day the Nederlandsche prices took a battering yester terms are fixed, which will be on or before next Tuesday. Morgan Stanley said the bond was trading at around its par

issue price.

Merrill Lynch Capital Markets led a \$60m convertible deal for Quebecor, the Canadian publisher. The 10-year bond has an

#### INTERNATIONAL

indicated 51 to 6 per cent coupon, payable semi-annually. The conversion premium will be fixed at between 22 and 25 per cent over the share price when Morgan Stanley International terms are set on or before April 6.

April 6.

The bond is priced at par and may not be called during the first three years. After that, it can be called first at 106 and then at declining premiums sub-lect to the share price exceed-ing 130 per cent of the conversion price.
Daiwa Europe led a \$35m five-

year equity warrants bond for Idec Isumi Corporation, the Japanese manufacturer of control equipment. The deal, with

bank. The deal followed a host of other Australian dollar issues over the past few weeks many of which are believed to be hanging around on underwriters books. But dealers said this 14} per

cent issue, priced at 1911, should find placement in Holland, especially as it is listed in Amsterdam and the borrower is a co-lead manager.

Banque Paribas Capital Markets led a FFr 30m five-markets led a FFr 30m five-year 9 per cent 50m for Gillette Canada, guaranteed by the parent. The bond, priced at 1011, was bid at a discount equivalent to the level of its total 17 per cent fees.
The D-Mark government bond market was hit by profit taking early yesterday, which filtered through into the Eurobond market. But during the after-noon prices in both markets

recuvered most of their losses, although turnover was low compared with recent days.

Prices in Switzerland were unchanged. No new issues emerged, and dealers said borrowers were unwilling to pay the coupons demanded by the Electricite de France's warrants exercisable into KOP's an indicated 2j per cent coupon. SFr 100m bond with gold warfree shares (those available to did not trade actively. rants attached, issued by Creditnon - residents) of FM 20 Swiss Bank Corporation Suisse, traded at 101 bid in the 
nominal value. The exercise International announced an grey market, against 2 par issueprice will be set at the closing A\$50m three-year bond for price.

## Bredero swings into the red

BY LAURA RAUN IN AMSTERDAM

BREDERO, the financially insider trading in its securities finances demanded by creditor troubled Dutch construction and on the eve of the planned banks.

property group, swung into the amounteem of its 1968. The Utrecht based company results on the securities of the planned red with a FI 89m (\$43.2m) loss in 1986 from a FI 9m profit the year before. The heavier-than-expected losses were blamed on an insolvent real-estat subsidiary, Breevast, and an Algerian construction project.

announcement of its 1986

The Utrecht-based company released a few, provisional figures yesterday showing that months of suspected insider last year's losses were much bigher than the FI 60m to FI 70m predicted in November 1986.

Bredero's announcement of its 1986

The Utrecht-based company released a few, provisional figures yesterday showing that months of suspected insider last year's losses were much bigher than the FI 60m to FI 70m predicted in November 1986.

Bredero's announcement of its 1986

The Utrecht-based company released a few, provisional figures yesterday showing that months of suspected insider last year's losses were much bigher than the FI 60m to FI 70m predicted in November 1986. onstruction project.
Bredero is currently under

DEUTSCHE MARK

STRANSHTS

Asian Dev. Bank 8 94 200

Asian Dev. Bank 8 94 200

Asian Dev. Bank 8 94 200

BMW 54, 96 200

Dow Chemical 55, 96 300

Dow Chemical 55, 96 300

Dow Chemical 55, 96 300

Eli 8 51, 98 300

Eli 8 67, 95 500

Eli B 67 7 105

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eurolinia 64, 96 100

Eli B 67 97 100

Eli B 100

El

Bredero's announcement of For this year, Bredero the full accounts for last year, repeated its fore-1st that it however, was delayed until next would swing back into the black investigation by the Amsterdam month pending an emergency with a small profit and added stock exchange on suspicion of review of the company's that its order portfolio was full.

**9**€ 375

#### FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

The prices over the past week were supplied by: Krediethack NV: Commercianic AG; Deutsche Bank AG; Westel Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Lixembourg; Krediethank Lixem Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Salsee/Swiss Gradit Bank; Bank of Tokyo International Bank; Daiwa Europe NV; Credit Commercial de Csecurities); EBC Auro Sank; LTCS International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Robert Fleming and Co.; First Chicago; Goldman Sachs International; Name Plance International; Series Bank Gorporation International; S. G. Warbs

This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not, as part of the distribution, be offered, sold or delivered, directly or indirectly, in the United States or to United States persons.

New Issue / March, 1987



Can. \$75,000,000

is secured by a floating charge paper programme.

## The Nippon Credit Bank (Curação) Finance, N.V.

91/2% Guaranteed Notes Due 1994

Unconditionally and irrevocably guaranteed by

The Nippon Credit Bank, Ltd. (Kabushiki Kaisha Nippon Saiken Shinyo Ginko)

Salomon Brothers International Limited

Nippon Credit International Limited

**Prudential-Bache Capital Funding** 

Wood Gundy Inc.

**Bankers Trust International Limited** 

**County NatWest Capital Markets Limited** 

Crédit Commercial de France

**Daiwa Europe Limited** 

**Generale Bank** 

**Dominion Securities Inc.** 

**Dresdner Bank Aktiengesellschaft** 

**Morgan Guaranty Ltd** 

Morgan Stanley International

Swiss Bank Corporation International Limited

Westdeutsche Landesbank Girozentrale

McLeod Young Weir International Limited

Yamaichi International (Europe) Limited

CREDIT

## INTERNATIONAL COMPANIES and FINANCE

## Earnings at Dairy Farm rise

337

Middeliant.

The state of the s

Stifferd Adde

100 mm

France's

i is order

He Trains

For man

ar Breing immer filt a State tones if end tones in wasfall

是是是在1000年, 1000年,1000年, 1000年,

4

2.5

the positions of the same of t

By David Dodwell in Hong Kong

DAIRY FARM International, the feed retailing and manufacturing group which last December was demerged from Hongkong Land, yesterday reported afterday profits for 1986 of HK\$288.7m (US\$37m), an increase of almost 27 per cent from HK\$228m in 1985.

Operations in Hong Kong, accounting for about a third of turnover, which rose 21.4 per cent to HK\$19.2bn, continued to generate the lion's share of profits — HK\$229m before tax, out of a total of HK\$452m. Expansion of the Wellcome chain of supermarkets continued through-out 1986, and a further 20 new supermarkets are due to be opened in Hong Kong this year, taking the total to 142.

In Australia, where the group owns Franklins, the country's third largest food retailer, profit margins remained fine, according to Mr Owen Price, Dairy Farn's managing director. They managing director. They were nevertheless enhanced in Hong Kong dollar terms because of a weakening of the Australian currency. Turnever of HK\$6.7m generated profits before the second profits the second p profits before tax of HK3212m.

A further 21 new supermarkets are to be opened in Australia this year, most of them in Queensland and Victhem in Queensiand and Victoria. In addition, the group
plans to sell its Northpoint
commercial building in
Sydney. The property is
valued in Dairy Farm's
accounts at just over A\$100m
(US\$69.8m).

Mr Price noted that expansion was being considered into South Korea and Taiwan. The group sold most of its interests in Singapore two years ago, and has made only slow progress in developing joint venture links with partners in mainland China.

 Singapore Land, which Mr Davies subsequently joined as non-executive director, has reported a dip in net prouts to \$37.5m (US\$3.65m) for the first half to February, com-pared with \$\$6.9m, Our Financial Staff adds.

## Fouad group faces Saudi suit

FOUR international banks are by some of the banks in debts in the past, Saudi courts by Mr Zayed Sudairi, agreed suing the troubled Abduliah Bahrain, where the Abduliah have not shown themselves to be to reschedule \$187m of debt property, and reflects frustration among its creditors at where the amounts claimed Rough Another trading company, about SR 131m (\$34.9m). in a Dammam court for the property, and reflects frustra-recovery of loans totalling about SR 13im (\$34.9m). The actions, expected to be heard in the next few weeks, outside for the settlement of heard in the next few weeks, outside for the settlement of heard in the next few weeks, outside for the settlement of heard in the next few weeks.

are believed to be the first significant cases brought against a major Saudi bosrower by foreign banks in a Saudi by foreign banks in a Saudi court. The four litigants, which say they are acting independently of each other, are Citibank (suing for SR 55m), Arab Banking Corporation (for SR 34.2m), and Bank of America and Bank of Bahrain and Kuwait, which are jointly sning for the recovery of a SR 42m syndicated loan. The decision to sue in a Saudi court follows separate actions

The group's total debt to banks in Saudi Arabia and abroad was estimated last year at more than \$100m, and it has fallen well behind on payments of both principal and interest. But the move could also set ments of an important precedent for the months.

property, and reflects frustration among its creditors at where the amounts claimed the second include interest payments. The pharaon, is reported to an agreement on constanding debts.

Bedec, owner the second include interest payment of to an agreement on interest is forbidden under ing \$347m of debt.

Abdullah Fouad h

However, participants in the current cases are expressing guarded optimism, since there have been a number of more encouraging Saudi court judgments on interest in recent Company (Aramco) after World

In cases involving unpaid agricultural machinery owned created the problems.

Pharaon, is reported to be close to an agreement on reschedul-

Abdullah Fouad has a highly diversified business in Saudi Arabia's Eastern province, founded on work performed for the Arabian American Oil War Two. It has agencies for large numbers of other international banks which are owed significant sums by Sandi private sector companies. "We are regarding this very much as a test case," said one banker involved.

Bankers are also encouraged by recent debt rescheduling medical supplies, computers and moves by other troubled Sandi office equipment (especially companies. At the end of last Olivetti products). But the month, for example, the Jeddah-group's contracting subsidiaries based Arabian Auto Agency,—hit by the downturn in public an importer of construction and construction spending—have

## Singapore trading companies show increase

BY STEVEN BUTLER IN SINGAPORE

SINGAPORE'S major trading 22 per cent increase in extra-companies managed last year to improve results despite some

The group said the fall of companies.

22 per cent increase in extra-of subsidiary and associated ing of the group in the past companies.

The group said the fall of companies. companies managed last year to improve results despite some sharp declines in trading volumes.

Straits Trading, the trading arm of the Overseas Chinese Banking group, saw its position as Singapore's largest trading group undercut as turnover fell by nearly two-thirds to \$3212.7m (US\$99.5m) from \$3555.4m. This is quite a comedown for a company which had 1984 sales of \$\$786.4m.

Attributable profits nonetheless rose by 17.4 per cent to \$\$49.6m. The group has managed to keep its profits up in part by shrewd property and chemical profits and comments and profits and comments are the property and comments are the profits are the profits are the profits and comments are the profits and comments are the profits are the pro managed to keep its profits up Group turnover declined by attributable profits more than formation of new in part by shrewd property and 17.2 per cent to \$\$\frac{2}{3}\frac{2}{3}\frac{1}{m}\text{, re-doubled to \$\$\frac{2}{3}\frac{2}{3}\text{, re-doubled to \$\$\frac{2}{3}\text{, re

business resulted from the decline in tin prices and a re-

decline in tin prices and a reduction in throughput treated by Malaysia Smelting Corporation, a wholly owned subsidiary.

Intrace, the government-controlled trading group that deals in everything from steel and timber to garments and oil, returned to profitability last year, earning \$\$6.2m company with a \$\$1.3m loss in 1985. Profits for the parent company itself reached \$\$15.7m, against a \$\$4.1m loss.

By extensive senior management turnover and a failed takeover bid by United Industrial Corporation. It is currently undergoing consolidation and has been recommended for complete privatisation by a governance and timber to garments and oil, ment-appointed committee.

Haw Par Brothers, which is group earnings.

Haw Par is proposing a one-strongest performance, with turnover declining by just 7 per cent to \$\$249.0m, while attributable profits more than

by extensive senior management turnover and a failed takeover bid by United Industrial Company of the serior management turnover and a failed takeover bid by United Industrial Company of the serior manufactured product, the muscle salve Tiger Balm, was turnover and a failed takeover bid by United Industrial Company of the serior transfer of t

formation of new international trading subsidiaries and greater overseas marketing activities

By Andrew Whitley in Tel Aviv

plunged by 94 per cent last year to 2.4m shekels (\$1.49m) compared with 40.2m shekels in 1985. Without the earnings of its

Barclays Discount, its local affi-liate with Barclays Bank, IDB would have been heavily in Mr Joseph Ciechanover, chair-

GOVETT

Yen 7,000,000,000

10 Year **Fixed Rate Loan** 

arranged by



Hill Samuel & Co. Limited

March, 1987

## Computer pact for Indian banks

BY R. C. MURTHY IN BOMBAY

THE INDIAN banking industry, which employs nearly Improple, took a leap towards computerisation when two big bank trade unions agreed to the installation of equipment valued at more than Rs 2bn (\$156m), over the next 21 years. over the next 24 years.

Government-owned banks are

Government-owned cames are the main beneficiaries, since foreign banks have computerised their operations at their 136 branches beyond the level now agreed, by negotiating bilateral

U.S. \$200,000,000

(Incorporated in the Kingdom of Sweden with limited liability)

Euro-Commercial Paper Programme

CREDIT SUISSE FIRST BOSTON MORGAN STANLEY INTERNATIONAL

SVENSKA HANDELSBANKEN PLC

Arranged by

MORGAN STANLEY INTERNATIONAL

U.S. \$75,000,000

Girozentrale und Bank

der österreichischen Sparkassen

Aktiengesellschaft

Floating Rate Subordinated Notes Due 1991

Credit Suisse First Boston Limited Agent Bank

63/4% per annum

30th March 1987

30th June 1987

incement appears as a matter of record only.

**Pharmacia** 

agreements offering monetary are expected to benefit from

incentives.

The agreement between the Indian Banks' Association and the unions relates to the use of ing tasks and partial front office

Banks will benefit through faster reconciliation of inter bank accounts, which have delayed completion of their annual accounts in some cases by eight months. Customers too

computerised clearance.

The gains in productivity will be shared with the workforce. The unions have resisted overtures from banks to install multi-purpose computers, capacity of which is now restricted to 256 kilobytes. Under the agreement they can be installed at only 6,000 metropolitan and urban branches out of a total 55,000 branch net-

#### Nylex raises **Borg-Warner** Australia bid By Our Financial Staff

BTR NYLEX, the British BTR group's Australian subsidiary, yesterday boosted its takeover offer for Borg-Warner Australia to A\$202.2m (US\$141.2m) with a A\$1 per share increase in the bid for the automotive parts group to A\$5.

January, and was rejected by Borg-Warner of Chicago, which owns 65 per cent of the target company. The hold is further remented by a wholly owned class of preference shares—for which Nylex is offering the

same price.
The latest move follows the lifting of a siege imposed on the US group by Mr Irwin Jacobs, the Minneapolis corporate raider who last Friday sold his raider who last Friday sold his stake. GAF of New Jersey instead has accumulated a holding in the parent of nearly 20 per cent, and is believed largely to be interested in its speciality chemicals, in particular engineering plastics.

According to Borg-Warner, other potential bidders had expressed interest in the Australian business, although none has yet emerged.

none has yet emerged.

Nylez, itself 59.5 per cent owned by its UK parent, has been seeking at least 50.1 per cent control of Borg-Warner

US \$75,000,000

Comerica Incorporated

Floating Rate Subordinated

Capital Notes Due 1997

Credit Suisse First Boston Limited

Agent Bank

Interest Rate

Interest Period

30th June 1987

Interest Amount per

U.S. \$50,000 Note due

#### **Israel Discount** Bank profits plunge by 94%

NET PROFITS at Israel Dis count Bank, the country's third largest financial institution,

overseas subsidiary, Israel Dis-count Bank of New York and

man of the Recanati family-owned bank, attributed the sharper than expected decline to reduced profit margins, a gov-ernment-imposed freeze on bank

charges
It was nevertheless "impossible to be satisfied" with the figures, said Mr Ciechanover, who took over as chief executive in the middle of the year. He said the bank was stepping up its voluntary redundancy plan, whereby it hopes to shed 15 per cent of its 5,800-strong workforce.

#### Westpac Banking Corporation (Incorporated with limited liability in the State of New South Wales, Australia)

U.S.\$500,000,000 Perpetual Capital Floating Rate Notes

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period from 30th March, 1987 to 30th September, 1987 the Notes will carry an Interest Rate of 6.65 per cent. per annum. The Interest Amount payable on the Interest Payment Date which will be 30th September, 1987 is U.S.\$339.89 for each Note of U.S.\$10,000 and U.S.\$8,497.22 for each Note of US\$250,000.

Morgan Guaranty Trust Company of New York



30th March, 1987

**NEW ISSUE** 

## MITSUI & CO., LTD.

U.S. \$150,000,000 2<sup>3</sup>/<sub>8</sub> per cent. Bonds due 1992

to subscribe for shares of common stock of Mitsui & Co., Ltd.

Issue Price 100 per cent.

**U.S.** \$150,000,000 3 per cent. Bonds due 1994 with Warrants

to subscribe for shares of common stock of Mitsui & Co., Ltd.

Issue Price 100 per cent.

**Nomura International Limited** 

Mitsui Finance International Limited Prudential-Bache Securities International

Banque Nationale de Paris County NatWest Capital Markets Limited **Deutsche Bank Capital Markets Limited** 

Fuji International Finance Limited **IBJ** International Limited **KOKUSAI** Europe Limited

New Japan Securities Europe Limited Nippon Kangyo Kakumaru (Europe) Limited

J. Henry Schroder Wagg & Co. Limited Smith Barney, Harris Upham & Co. Incorporated

Swiss Bank Corporation International Limited Wood Gundy Inc.

Interest Rate

Interest Period

30th June 1987

Interest Amount per

U.S. \$1,000 Note due

March, 1987

ANTWERP/BRUSSELS/GENT/KORTRUK LEUVEN/LIEGE/LUXEMBOURG

Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in the centre of any of the cities listed above. For details contact: Philippe de Norman. Tel: 02 513 2816. Telex: 64219.

BELGIUM

CITICORP® U.S. \$350,000,000

U.S. \$350,000,000

Subordinated Floating Rate Notes Due November 27,2035

Notice is hereby given that the Rate of Interest has been fixed at 6.6% in respect of the Original Notes and 6.6875% in respect of the Enhancement Notes, and that the interest poyable on the relevant Interest Poyment Date April 30, 1987 against Coupan No. 17 in respect of US\$10,000 nominal of the Notes will be US\$55.00 in respect of the Original Notes and US\$55.73 in respect of the Enhancement Notes.

March 31, 1987, London

By: Chibank, N.A. (CSSIDept), AgentBank

CITIBANCO

Yamaichi International (Europe) Limited

Bank of Tokyo International Limited

Citicorp Investment Bank Limited

Dresdner Bank Aktiengesellschaft

Goldman Sachs International Corp.

Mitsui Trust International Limited

The Nikko Securities Co., (Europe) Ltd.

Shearson Lehman Brothers International

Union Bank of Switzerland (Securities) Limited

Morgan Stanley International

Daiwa Europe Limited

Kleinwort Benson Limited

Sanyo International Limited

Sumitomo Finance International

U.S. \$500,000,000 CITICORPO

(Incorporated at Delaware)
Subordinated Floating Rate Notes Due January 30; 1998 Notice is hereby given that the Rate of Interest has been fixed at 6.575% and that the interest payable on the relevant Interest Payment Date April 30, 1987, against Coupon No. 15 in respect of US\$10,000 nominal of the Notes will be US\$54.79.

March 31, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

HAND DELIVERY **SERVICE** 

& LUXEMBOURG

65/8% per annum

30th March 1987

30th June 1987

U.S. \$846.53

## BPCC triples to £80m, starts 'outstanding' year

BY RICHARD TOMKINS

munication Corporation, the printing and publishing group headed by Mr Robert Maxwell. yesterday reported a threefold increase in pre-tax profits from £25.5m to £80.3m for the year to December 1986 and spoke of an "outstanding" start to the current year.

Two of the rasin factors behind the increase were the acquisition of Pergamon Jour-nals in April last year, which took the publishing division's contribution ahead to £16.8m (£200,000), and the introduction of contract printing for national and regional news-papers, which contributed

BPCC said that its traditional BPCC said that its traditional printing businesses had improved sales and profitability with the exception of Purnell, which suffered a seven-month strike. The printing division's pre-tax contribution rose from £25.6m to £35m.

Other activities — mainly treasury management — contri-buted £16.9m (loss: £300,000). BPCC said the scope for this division's activities had been enhanced by last year's acquisi-tion of Philip Hill Investment Trust, most of whose securities have been liquidated for cash. Group turnover rose from £265.1m to £461.7m. There was a tax charge of £15.9m (credit: \$3.2m), leaving earnings per share 36 per cent ahead at 25.2p (18.5p). A final dividend of 8p is proposed, making 14p



passed a number of important milestones on the road to achieving its goal of becoming a global information and communications company before the end of the 1980s. A key step in this strategy had been its entry into the North American market with last year's acquisi-tion of two printing and publishing companies.

Sales for the current year would approach £1bn from existing activities alone, Mr Maxwell said. With borrowings low and £200m in cash and marketable securities, BPCC was well placed to make further acquisitions in information technology in North America (12p). technology in North America 1555.

Mr Maxwell said BPCC had and Europe. The results for the sight.

first quarter were forecast to show a "very substantial" increase in pre-tax profit over the corresponding period, Mr Maxwell said, and he was confident that 1987 would show further progress towards BPCC's stated objective of achieving revenues of £3bu to £5bn by the end of the decade, with earnings per share to

#### comment

Simple arithmetic dictates that 1987 will provide another strong 1987 will provide another strong advance for BPCC. Full-year contributions from Pergamon and the contract printing operation should take the group significantly ahead, so with a reasonable amount of organic growth, a sprinkling of property profits and the benefit of the £200m cash injection from Philip Hill, a figure of £135m must be in reach even without the promised acquisitions. Dilution from the disguised rights will reduce the bottom line advance, but with the shares down 6p at \$40p, the p/e is still just 12. The City is entrenched in its view that the Maxwell factor commands a discount, yet factor commands a discount, yet the rating looks uncharac-teristically humble for a com-pany growing this fast. Recent diversifications brought the quality of earnings more in line with those of the more highly rated publishers, and as the company grows to the point where it can no longer be ignored, a weakening of market resistance might yet be in

## Slough rises 26% to £49.6m

Slough Estates, property share of associates company, increased its 1986 £0.7m (£0.6m) pre-tax profits by 26 per cent from £39.5m to £49.6m, including a non-recurring currency profit of £2m, up from £1.1m last time.

Turnover, rental income and sales improved from £95.7m to £103.5m last year while the cost of sales, including estate operat-ing costs were down from £36.4m to £33.8m. Other income amounted to £2.5m (£1.4m) and administration expenses and single operator. These profit net interest payable totalled figures are £3m ahead of fore-£5.8m (£4.5m) and £17.5m casts and, while the Bath Road

were 13.8p compared with 11.65p and the dividend is raised from 5.5p to 6.5p with a proposed final of 4p (3.3p).

comment

The market's obsession with residential property has served to obscure the virtues of the industrial sector — in which Slough Estates is the largest The trading estate in Slough may 210 p.

not be every developer's idea of heaven, rents are on the increase (up to £6.25 per sq ft from £5.50 a year ago) and solid capital growth looks likely. With over 10 schemes in the pipeline, Slough Estates has entered a more aggressive phase in which trading opportunities will be taken more readily. However, this is for the future. At present the group is trading on a very small discount to fully diluted net asset value of 214p—which suggests that most of the good news is already fully repre-sented in the share price of

## spin off of non-finance activities British & Commonwealth Holdings plans to spin off its commercial and service indus-

**B & C plans** 

try activities as a separate company. Although outside investors will be sought to take up to 20 per cent of the new company, there are no immediate plans for a public listing.

The move is intended to allay fears that B&C plans allay rears that B&U plans to gell the companies in ques-tion because of its emphasis on financial services in the wake of last year's £673m acquisition of Exce, the money broker.

It also reflects the fact that the two broad divisions of B&C require different management approaches and financing methods, according to Mr John Gunn, who will step up to group chairman under management changes also announced yesterday. Mr Peter Goldie is to become chief executive, and Mr Julian Lee, chief operating officer. They had been joint managing directors since

Mr Lee will be chief execu-tive, of the new company which will comprise B&C's holdings in air transport, in-cluding Bristow Helicopters and Air UK, commercial including commodity trader Kaines and overseas trader Steel Brothers, and hotels and

The new company should feel independent even though it's not," Mr Gunn said. The company is expected to have capital employed of between £400m and £600m.

Barcisys de Zoete Wedd is to advise on the introduction of independent investors. B & C is looking for no more than six. "The outside shareholders are merely coming in as a discipline on B & C to take the long-term view."

Lord Cayzer, B&C chairman for 30 years, is to become life president. Mr Peter Buckley, his nephew, will become deputy charman and the highest executive from the Cayzer family, which owns 31 per cent of B & C through Caledonia ExvestLisa Wood on Woolworth's proposed takeover of Superdrug

## Aiming to take the dominant role

THE EVENTUAL domination of the British toiletries retailing business is the intention of Superdrug, the specialist "drug store" chain which was yesterday the subject of an agreed bid by Woolworth Holdings.

At yesterday's closing prices the terms value Superdrug at around £233m

Mr Peter Goldstein, joint chairman and managing direc-tor of Superdrug, who will remain with the chain, said: "With this move we have an opportunity of dominating the toiletry business.

This market, including hair care items and household cleaners, is currently dominated by Boots The Chemist which has in excess of 20 per cent of

Superdrug, set up 21 years ago, pioneered the discount "drug store" concept in Britain. It currently has some 297 outlets throughout the UK and claims a market share of about nine to 10 per cent of the toiletries business which in total is worth over £1.2bn. Hair care products, household cleaners, baby goods and health

foods are all found on the shelves. It went public in 1983. Last year it made a pre-tax profit of £12.3m, an increase of 18 per cent on 1985/86. But while Superdrug has

made an aggressive and profit-able impact upon the tolletries market—one sector of chemists' total sales—Woolworth will be able to offer it new muscle in obtaining what are usually very expensive sites on the High

The deal comes just 10 days after the failure of takeover talks between Woolworth and Underwoods, the London-based Both Superdrug and Woolworth yesterday denied that chemist chain.



long period of contacts between

of contacts between our two companies. Our ambition is to have a group of specialist retail operations, all highly profitable'

This deal has

come out of

a long period

theirs was a shot-gun marriage.
"This deal has come out of a our two companies," said Mr Geoff Mulcahy, chief executive result was about 10 per cent better than the retailing group's predictions last year during its defence against the takeover bid from Dixons, the electrical of Woolworth Holdings. He rejected the suggestion that Woolworth was showing an undue haste to acquire a

toiletries business. "Our ambition," he said " is to have a group of specialist retail opera-tions, all highly profitable." Woolworth Holding's strategy. stiffened by a new management backbone brought in since a group of City institutions bought it in 1982 from its US parent, has been to develop

specialist retailing.

The main strands of these are its B & Q do-it-yourself business, the Comet electrical stores and Woolworth, the High Street

variety chain.

At Woolworth a refined mer-chandising plan and refurbishment programme currently un-derway led last year to an 120 per cent increase in profits. The group as a whole confounded City analysts earlier this month by unveiling a 40 per cent in-crease in profits—the £115.3m

Superdrug fits snugly within Woolworth Holding's plens for the High Street chain. As the refurbishment project rolls out some large Woolworth stores are being redeveloped. A large Woolworth store may, for example, be split into two separate stores with Woolworth occupying one and Superdrug

In addition other Woolworth stores that are surplus to needs could be converted into Super-drug outlets. Superdrug also has its own development plans—some 50 new outlets a year. Mr John Richards, of Wood Mackenzie, the Edinburgh-based stockbroker, said he believed Superdrug was a better fit with Woolworth than

"Superdrug has a proven national retail concept, unlike Underwoods. Also Superdrug has a machine-like efficiency

in suspenses distribution and management control." Superdrug was set up by brothers Peter and Romald Goldstein, the joint chairmen

and managing directors. It started as one outlet on Putney High Street, London.

"We spent the first three of four years trying to get a retailing formula," said Mr Peter

Goldstein."

The retailing formula pioneered by the Goldsteins has been dubbed "drug stores."

Other chains that have sprung up include Share and Tip Top. Unlike traditional chemists' shops they do no National Health dispensing and offer discounted tolletries and associated products in supermarkettype layouts. Their growth has been rapid.

Verdict, the market research organisation, estimated that discount drug stores shares of the chemists' goods market was 9.5 per cent in 1980. It is now

18.3 per cent.

Verdict estimated that sales in the drug store sector have trebled in the last five years while non-NHS busin chemists has risen by less than half.

It said: "The figures are from a relatively low base and are a partial reflection of the success which drugs stores have enjoyed in attracting sales from grocers as well as other retailers but still illustrate the g rowth of drug outlets at the expense

Superdrug, with some 37 per cent of the "drug store" dis-count market, and now Woolto keep up the momentum.

#### Dwek still on track for £2.7m Dwek Group, manufacturers and acquired in March 1986

distributors of consumer products, made pre-tax profits of £980,000 (£130,000) for 1986 on a turnover of £19.71m of £2.7m for 15 months period

This performance was in line 59.5m acquisition of Symphony, with directors expectations at the time of the acquisition of Symphony International which completed in February. The figures exclude any contribution from Symphony but took into account 10 months trading for QA Furniture and Lewing,

which was completed by the successful placing of some 9m Dwek's ordinary shares. Tax charged was £336,000 (£12,000) and there was extra-ordinary profits of £2.54m (deficit of £63,000) arising from the disposal of the industrial division less acquisition expenses £282,000 (nil) and a profit of £32,000 arising on disposal of shares (nil).

A second interim of 2p has been declared making 3.5p to date and a final of 0.5p forecast, earnings per share per 12 months were 7.4p (1.7p).

Bellway

Blackwood Hodge .....

Manders
Rugby Portland
Slough Est
UDO Hidgs .....int

British Printing

CCA Galleries; Dwek

Boustead ....

**DIVIDENDS ANNOUNCED** 

July 1

May 26 June 2 April May 1

May 28

June 1 May 29 May 23 July 1

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

§ Unquoted stock. ¶ Total of 4p forecast for 15 months period.

0.5

#### Bellway rises 30% and buys Essex builder

HELPED BY a substantial fall company was a perfect fit with in interest charges following its plans in the area. Bellway its £7.5m rights issue last year, had begun to build up a in interest charges following its £7.5m rights issue last year, Bellway, Newcastle upon Tynebased housebuilder, reported interim pre-tax profits up by

for \$49.93m. The consideration is to be satisfied by the issue of 2.25m ordinary shares.

Mr Alan Robson, finance director of Bellway, said the

0.61

3 2.7 3.51

nii

nil 0.5

2 3.6° 3.3 1.68 2.0 2.85

year

presence when the company became available and Golding would be absorbing the fledgling

---

- تنتين

.....

· Carrier

ē. . . .

· Property

turnover.

The company also announced of £366,000 and net tangible yesterday, that it is buying assets at the end of the period of £590,000. At the momant vate housebuilding company The acquisition means that 50

per cent of Bellway's housing activities are in the south of England. The group has a policy of seeking further expansion in the south but has no further acquisitions in the pipe-

In the six months to the end of January 1987 pre-tax profit came out et £1.73m (£1.32m) on turnover down at £24.71m (£26.86m). Earnings per share were 5.2p (4.6p) and the interim dividend is unchanged

Mr Robson said the turnover fall was not significant as it was affected by the incidence sales were in the second half.

The continuing improvement at 50 per cent-owned Falmouth Shiprepair resulted in share of related companies of £3,000 against a debit last time of £142,000.

That improvement was wiped out by there being no profits on the sale of investment properties against £168,000 last time. However interest charges, helped by lower borrowings and interest rates fell from £1.62m to £410,000.

The tax charge was £540,000 (£508,000).

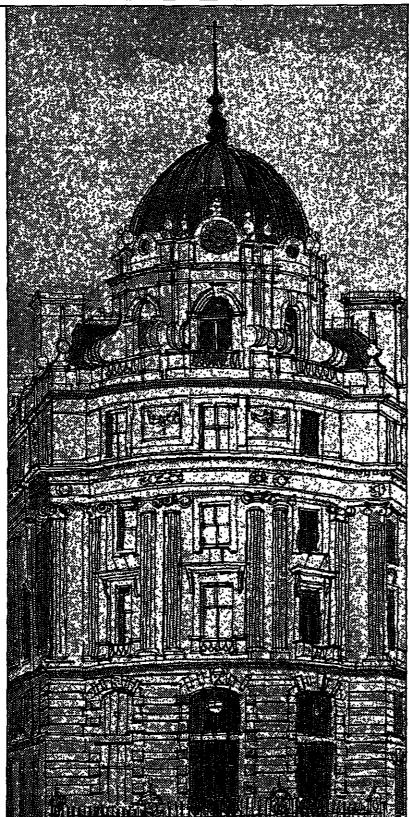
## 1986, a strong recovery.

986 was a year during which the L industry, and Royal particularly, was able to achieve a quite substantial consolidation.

The benefit of the actions taken by us in 1986 and prior years is reflected in the strong recovery in pre-tax profits from £41.4m to £304.8m.

With the improved trading results and the firmness in international stockmarkets, the net worth of the company increased by £560m to £2,465m (1,036p per share), inclusive of the balance sheet value of long term business, of £400m (169p per share).

In view of both the current improvement in results and the outlook for the future, the company now has the ability to pay a higher level of dividend.





is 20.5p per share, making a total for the year of 31.0p, an increase of 20.4%

The increased benefits now emerging are the result of the improvement strategies implemented in recent years. profits deriving from these strategies in the remainder of the decade.

As an aid to the marketability of our shares, the Directors have decided to recommend a 1 for 1 capitalisation issue.

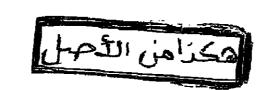
The Annual General Meeting will be held on Thursday 23rd April 1987 at 11.30 a.m. in the Insurance Hall of The Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HY.

Please send me a copy of the Report and Accounts for the year ending December 31st 1986.

## WINGATE PROPERTY INVESTMENTS PUBLIC LIMITED COMPANY INTRODUCTION TO THE STOCK EXCHANGE 35,000,000 140,000,000 Ordinary shares of 25p each 18,773,023 75,092,091 Listing particulars relating to the introduction to the official list of 75,092,091 ordinary shares of 25p each of Wingare Property Investments Public Limited Company are available in the Extel Statistical Services and copies are available until 14 April, 1987 from:

Samuel Montagu & Co. Limited. 114 Old Broad Street, London EC2P 2HY

and at the registered office of Wingate Property Investments Public Limited Company at 6 Hobart Place, London SW1W OHU. Copies are also available from the Company Announcements Office, The Stock Exchange, London EC2P 2BT until 2 April, 1987.



# FOROUTSTANDING RESULTS,

## **National Westminster Bank PLC**

Pre-tax profits\_\_\_\_\_£1,011m Post-tax profits\_\_\_\_\_ Earnings per share\_\_\_\_\_ Ordinary dividend per share\_\_\_\_\_ Total assets\_\_\_\_\_

# PRESS FOR ACTIO

In his statement to shareholders in the Group's Annual Report for 1986, Lord Boardman, Chairman of National Westminster Bank, said:

"Record profits in 1986 have again shown that the National Westminster Bank Group is one of the most successful banks in the world. The Group's consistent performance rests upon sound management of risk, good marketing of our services and firm control of costs.

"The United Kingdom enjoyed continuing economic growth in 1986. With the world economic growth projected for 1987, a more competitive exchange rate, and continuing low inflation, the conditions should be good for successful enterprise and more iobs.

"I believe the banks have responded positively to the changes in the world's financial markets and to the needs of British industry and commerce. Today. long-term money is readily available for the right projects and industry has a wider choice than ever before in the ways in which it raises funds.

"Major projects are important for the future of Britain; so, too, is a flourishing small business sector. Our support for such businesses now exceeds £7 billion.

"At the end of 1986 the Group employed 94,000 people, and their commitment and dedication to customer service is, above all, the basis of our success as one of the world's leading financial services groups. Our pre-eminent position is the result of the skill, professionalism, and hard work of the NatWest team with private at all levels."

In his review of the year's Operations, Philip W Wilkinson, Group Chief Executive, comments:

1986 was an excellent year for the NatWest Group. The firm foundation for our success in 1986, and in over three centuries of banking experience, has been our commitment to provide a first class service. We know that our customers expect and deserve no less.

Action in 1986

The NatWest way is to build long-term relationships with our customers. During the year we have continued to reshape our operations so that we can concentrate separate resources on different groups

of customers. This allows us to meet the increasingly sophisticated needs of business customers whilst improving further the quality of the service we offer to personal customers. Throughout our substantial

network of

branches in the United Kingdom we are continuing. As companies develop, they often look abroad for our effort to ensure that our customers come first, and that their needs are identified and met. This fundamental attitude to customer service is being adopted right across the NatWest Group.

#### Action for People...

We now have five and a half million personal customers, an increase of 400,000 over the year. The introduction of Free If In Credit banking. enabled us to increase our business, particularly in the important young persons market, whose accounts are the seedcorn for the future. We gained a 41 per cent share of new students accounts.

Our retail banking strengths, together with our product range, give us a significant competitive advantage. We built on that advantage in 1986 by reorganising our approach to the personal sector, by improving the way we deliver services, and by enhancing our product range.

We are in the midst of a major programme designed to enhance professionalism and service. This involves re-designing our branches, emphasising the open-plan public space, with our staff having closer personal contact with customers.

#### Action for Small Businesses

In so many cases, our relationship individuals has grown into a business relationship. The contribution small businesses can

make to the British economy, and to employment, is well recognised, and we are proud to

be known as the bank for small business. We regard our lending to small businesses as an investment for the future, and our commitment to the businesses of tomorrow is shown by our market leadership in providing support in start-up situations.

#### To build long term relationships with growing and successful companies, we are

Action for Medium-Sized Companies

📆 establishing a network of business centres in the United

Kingdom. Within each business centre there is a team of Accounts Executives who new markets. The professional assistance offered by NatWest's world trade finance activities is helping companies reduce the costs and potential risks of international trading.

#### Action for Major Corporates

NatWest has a relationship with over three quarters of the largest 500 companies in the United Kingdom. We are determined to maintain and expand upon those relationships, and we have established a team of Senior Executives to do just that. They will marshal all the resources of the NatWest Group to provide a comprehensive financial service, drawing on our strengths in domestic banking, international banking and the Group's investment banking activities.

As a major international bank, we have strong links with many of the world's leading corporate institutions. Our record in international banking gives us a good foundation for the future. We are

represented in 37 countries, and we have a major presence in the leading financial centres of the world.

While NatWest is well placed to take advantage of the commercial banking business opportunities which exist in international finance, more and more multinational companies now look to the world's capital markets for solutions to their financial needs. By establishing NatWest Investment Bank on the existing base of County, we are ready to provide these solutions.

#### Action through our People

During 1986, the imaginative use of technology, together with our policy of streamlining working practices, enabled us to handle materially higher volume growth in our core businesses. We also moved strongly into new areas. As a result of the continuing expansion of the Group's business, the number of people employed increased by 2,000 to

We make a major investment in recruiting and developing our people, so that they can reach their full potential, equipping them with the technical knowledge and skills needed to provide a mily professional service to our customers.

#### **Action in the Community**

NatWest plays an active part in the local are the focal point for banker-customer relationships. community. By making a positive contribution to the

well-being and development of the community, we help to bring about an environment where our

business, and the businesses of our customers, can flourish.

Through our day-to-day business activities we invest in the community, by helping our customers

create wealth and jobs. Much of our programme of community support is focused on the needs of the young and the disadvantaged, and on promoting enterprise and employment, particularly in the Inner Cities, where for many years we have supported official agencies and private sector initiatives with funds and the secondment of experienced managers. In 1986, we assisted over 5,500 organisations.

#### Press for Action

In 1986 our commitment to provide quality service, which has been our hallmark for three centuries, was given new expression by 'Press for

We realise that in the competitive world of financial services we shall maintain our leading position only if we continue to respond swiftly, efficiently and professionally, whenever and wherever our customers press for action.

That is why we shall follow through the major initiatives we undertook throughout the Group in 1986 to improve the quality of customer service. Press for Action is not just a slogan. It is a promise. All of us at NatWest are determined to keep that promise.

To obtain your copy of the NatWest Report & Accounts for 1986, please complete and return the coupon below. ٩ To: The Secretary, National Westminster Bank PLC, 41 Lothbury, London EC2P 2BP. Please send me a copy of the NatWest Annual Report 1986. Name. Postcode.

The Action Bank

ınd

g wa IPLE

TS

Resignations

at Aberdeen

Two non-executive directors of Aberdeen Steak Houses

Mr Stephen Cockburn and Mr William Spouse say their resignations fellow a High Court rating that the company underpaid staff. Both joined the beard when the

company was floated on the USM in August 1985, having

received an assurance that there was no foundation to complaints by former employees about pay.

But in July the High Court ruled that Aberdeen had underpaid six members of staff in contravention of the Wages Council Act, which sets a legal minimum.

Earlier this mouth the com-

pany lost its appeal against that decision. The company

may, however, appeal to a higher court.

Steak

By Raiph Atkins

have resigned.

## **Bass sells Pontins for** £58m to former managers

Mr Hemmings and his col-

acquired two holiday camps

Mr Mike Austin, sales and marketing director for the new

operation, said yesterday the company would continue the

more profitable to be part of a smaller group rather than a

larger company."
Holiday camps, or centres as

development of Pontins.

from Pontins.

Bass, brewing and hotel was "sorry to lose an estab-their operators prefer to call group, yesterday agreed the lished name such as Pontins them, went through a lean time sale of its Pontins holiday but we feel the centres' long-in the late 1970s and early camps to a consortium of former term development will be well 1980s at a result of poor faciliexecutives in a deal worth served by the new company."

Mr Trevor Hemmings and five other former Pontins' directors, who left the company more than two years ago, along with a director from the Chase Man-hatten bank, will form the board of the new company, called Pontins Limited. Chase Man-hattan is underdstood to be the lead banker in the deal.

Mr Hemmings will be chair-man and chief executive, with Mr Graham Parr, former manag-ing director of the Warners holiday camps, as the new managing director.

Mr Brian Langton, chairman of Bass Hotels and holiday divi-sion, said last night that Bass

Microsystems Group has an-nounced a revised offer for AI, the private electronics company.

The new offer, recommended

by the AI board, takes into account the sharp rise from

230p to 280p in Microsystems Group's share price since its

The new offer is seven new shares and 197p in cash for every 13 AI shares. There is also a cash alternative of 150p

Full acceptance of the offer

So far, Microsystems has

received kyevocable under-

**Microsystems** 

improves its

offer for AI

By Raiph Atkins

and £371,394 cash.

January.

#### NatWest reveals loan details

National Westminster Bank, Britain's largest bank, had £609m and £544m in loans outstanding to Mexico and Brazil respectively at the end of last year, according to figures pub-lished in its annual report

yesterday. This is the first time NatWest has released precise figures on its lending to individual

Halstead interim profits up

## James Halstead, investment improve and the result for the ciding company with interests year should show further profit

holding company with interests in floor coverings, weatherproof and leisure clothing, trailers, etc., has produced pre-tax profits of £2.30m (£1.8m) for the six months to December 31 1936.

The Second Market Inv. ment Company has reported

will involve issuing 2.68m shares, representing 19 per cent of the enlarged schare capital, Turnover for the period was £20.2m (£18m); tax charged was £794,000 (£728,000) leaving £1.5im (£1.08m). Stated earnings per 10p share were 10.5ip (7.57p) and an interim dividend £2.5 (£7) has been declared takings to accept from chare-holders representing 93.5 per (7.57p) and an interim dividend cent of issued shares and 70 per of 2.5p (2p) has been declared.

ties and little investment in refurbishment.

leagues have been talking to However, in recent years Bass for some time about buy- Butlins, Pontins, and Warners ing the 23 holiday camps and have all invested heavily in updating the facilities to counter the "Hi-de-Hil" image created by the television series.

three caravan parks. A small company owned by Mr Hem-mings and the others last year While Butlins has traditionally concentrated on large holiday camps with 5,000 or more beds, Pontin's camps are amailer with its largest camp having only 4,000 beds.

In addition, Pontins also has "We think the Pontins operation is running on the right lines but fael that it would be

sought to exploit the special interest holiday packages.

Bass confirmed last night that the sale would not affect any consumers who had already booked holidays with Pontins this year.

loans to Mexico and Brazil are

less than 0.75 per cent.
The bank's total exposure to

countries which have been sub

ject to rescheduling agreements is 3.5 per cent of its assets.

ment Company has reported a net asset value at the end of 1986 of 202.1p per ordinary share, 65 per cent higher than

The company plans a £5.63m rights issue to enable it to take

advantage of the potential of

1985's figure of 124p.

"We relied on the assurance of the company that these claims were without foundation," said Mr Cockrescheduling countries. It is only obliged to reveal loans if they execeed 1 per cent of the bank's assets of £83bn, and the

rn. "We now feel that it is not appropriate to remain, as directors."

He said the resignations, a week before the company amounces its annual results, related to events prior to flotation and that he was happy with the conduct of the

company since.

"Nothing has been done of which we think the company should have the least bit to worry about," he said. Last night no comment was

available from Aberdeen Steak Houses.

#### Dewey Warren

With brokerage income falling from £3.5m to £2.65m, Dewey Warren Holdings in-curred pre-tax losses of £367,000 in 1986, which com-pared with profits of £1.01m in the previous year. No dividend Trading has continued to the Second Market in France. is being paid against 7.5p.

Clay Harris on Hawley's planned merger with BCA

# Agreeing to go under the hammer

IF IT appears that Mr Michael Ashcroft and Mr David Wickins have kissed and made up after an 18-month estrangement, that may be because reports of their falling out were exaggerated.
"All those stories about a

"All those stories about a split or our having a row were just rubbish," Mr Wickins said yesterday sifer announcing that his British Car Auctions Group had agreed to be acquired by Mr Ashcroft's Hawley Group in a deal with £182m.
"We went through a period of

going our own way and sorting things not," Mr Wickins said. The sorting out to be done was considerable, as the two groups disentangled their joint holdings and bought and sold large minority stakes each had

held in other companies.
But after the property settle ment, it now appears that not just a reconciliation but a full-fledged marriage is on the

The merger wil create a diversified services group with stock market capitalisation of nearly fibn. It will give Hawley a fourth sector to add to opera-tions in cleaning and building services, food services and

For Mr Wickens, now 67, the merger will allow him to bring 3CA intact into a larger group. Mr Ashcroft said yesterday that it was envisaged that Mr Wickins would run BCA which he founded in 1946, for three

ecurity.

more years.

In many ways, the merger does mark the passing of the gavel to a new generation. Mr Asheroft, 41, was born a few months after Mr Wickins auctioned his first car—his own



Michael Asheroft (left), chief of the Hawley Group, and

distinction of being an outsider losties for market leadership in running a business after acquisition by Hawley. He also will auction sites, mainly in the Sunsition by Hawley. He also will auction site be able to reassure BCA belt states. employees about their security. siderably different. Pritchard Services, the cleaner acquired in June last year, ceased to exist as an independent entity virtually from the moment the

Immediate review, dismemberment and reorganisation with existing cleaning activities destroyed any comparability on which Hawley felt it could report to its shareholders.

Hawley executives privately describe the process, which BCA appears not to face, as "smashing " a company, but emphasise auctioned his first car—his own that this emotive word obscures car. "He has grown up with the point that some managers the business," Mr Wickins said yesterday.

Bringing a new sector into Bawley, and enjoying the confidence of Mr Ashcroft after a nine-year association. Mr which to expand into high cash-flow, low capital-wickins will achieve the rare

Ironically, BCA came within an ace last year of selling out to Cox Enterprises, which oper-ates its biggest US rival, Mann-

Mr Wickins pulled out of the £50m deal in July after delays in completion allowed him to see a glimpse of the recovery coming in the US auctions

BCA will bring few, if any, not impossible for a higher hid immediate advantages to Haw—perhaps even from Cox—to be launched.

though Mr Ashcroft foresees to Having raised Hawley's stake peripheral redevelopment gains to 14.8 per cent with market when auction facilities move to purchases in the past week, and provided to deathly a deathly and the d

when auction facilities move to purchases in the past week, and larger sites.

If was perhaps inevitable that its dividend in 1987, Mr Ashthe two businessmen, who share a similar history of wheeling and dealing in minority stakes in third companies as well as a BCA, it is likely to raise its hiss towards expansion in the holding to the point where it US, would get together in the (with the help of old friends) can make life difficult for any call.

Both, moreover, have been on rival.

the receiving end of more than their quota of City scepticism. Their temporary parting of the ways, in fact, reflected this pressure. They jointly con-cluded that each had detractors enough without having to

absorb criticism reflected from As a result, BCA sold its 46 per cent stake in Midepsa, the Canadian-based company which it and Hawley used for joint investments. Hawley bought 29.9 per cent of Attwoods, most of BCA's stake in the waste handling company,

For its part, BCA raised its holding in First Security, the motor components and security systems group, to 37 per cent by buying the stake owned by Midepsa, now renamed Henlys. its holdings again, transferring the Attwoods stake among others, to Henlys, Hawley is in the process of reducing its stake in Henlys, now its only associate

company, to 25 per cent. Proud of the "simplification" he has achieved in the last few years, Mr Ashcroft is unlikely to want Hawley's structure-or image—to get muddled. There must be a question therefore about the long-term future of BCA's stake in First Security. Once a seller, always a seller.

Sipel

10

SHOW!

F GUSOI

Despite BCA's strong recommendation of the offer, it is not impossible for a higher bid

# 42 Years of Profit Growth

	1986	1985	Increase
Profit before tax	£49.6m	£39.5m	+25.6%
Profit attributable to shareholders	£36.7m	£28.8m	+274%
Earnings per share	13.80p	11.65p	+184%
Dividend per share	6.5p	5.5p	+18.2%
Assets per share	228p	211p	+8.1%

Chairman, Sir Nigel Mobbs, commenting on the 1986 results said:

"1986 was a good year for the company with increased development activity in all countries in which we operate. ■ During the year we acquired 52.2% of Bredero Properties for £15.7m and have

established forward development programmes amounting to £135m in the UK and A total of 1.9 million square feet of industrial, retail and office space was

completed during the year, £49.3m was spent on acquiring projects for future development and 1.5 million square feet was under construction at the year end. An external appraisal of investment properties, on an open market basis, was carried out as at 30th September 1986. The value of properties as at 31st December 1986 including post valuation additions at cost amounted to £851.3m.

Our strategic aim continues to be expansion and enhancement of our industrial property, investment and development activities, as well as widening our portfolio with the addition of new offices, retail and retail warehouse park projects. ■ We will continue to improve the quality of our revenue producing portfolio by

positive estate management and modernisation of older buildings. During 1986 we continued to invest heavily in the future of the company. We have acquired new development opportunities, modernised much of the portfolio, forged new investment alliances and sold low-performing assets.

■ We have the right properties in areas of buoyant demand and investment attraction and are strongly and conservatively financed. We therefore look to 1987 with confidence".

One of Britain's leading international property companies To obtain a copy of the 1986 Preliminary Announcement and the 1986 Annual Report, to be published in April, please write to the Secretary, Stough Estates plc, 234 Bath Road, Skough SLI 4EE



#### Norank in merger talks with Spong

Norank Systems, a merchand-ising and display systems group, said yesterday that it was in preliminary talks with Spong Holdings which could lead to a merger of the two companies.

Spong, the housewares distributor, last year took over clothing manufacturer Rowland Gaunt and Hutchinson Design

Spong recently announced pre-tax profits of \$414,000 for the six months to October 31, while Norank made £808,000 1986 as a whole

Macallan-Glenlivet Pre-tax profits at Macallan-Glenilvet, distiller, rose from £719,000 to £1.14m in 1986. The total dividend is raised from

3.34p to 3.84p net with a final of 2.84p. Earnings pere share improved from 10.87p to 16.92p. The directors said the results and been achieved through the

interest charges—down from £637,000 to £440,000—also con-tributed to the result.

Group turnover for the year was £6,37m compared with £5.02m, and operating profits were £1.58m (£1.36m) after charging leasing rentals, £172,000 (same), and depreciation up from £266,000 to £295,000.

Evered

Evered Holdings, the acquisitive industrial conglomerate beaded by the Abdullah brothers which last week launched a £99m bid for London and Northern, yesterday announced that it has purches of the second of the s chased a further 1.12 per cent stake in its target. The latest share purchase was made by Evered's advisors,

Robert Fleming, which is acting in concert with the company. It takes the total Evered holding to 26.31 per cent.

NORTH OF SCOTLAND Invest-ment Trust: Net asset value per ordinary share 25.49p at Febru-ary 28 1987. Revenue for six months to end-February £41,598 before tax of £12,100. Earnings per share 0.25p.

#### Bryson Oil in merger talks

By Lucy Kelleway

The Exploration Company of Louislana and Bryson Oil and Gas, two London-based oil companies with production bases in the US yesterday amounced that they were considering a merger. They said that discussions

were at an early stage, and no agreement had yet been reached.

The announcement was prompted by a steep rise in the mice of Bryson shares, dealt on the Stock Exchange under Rule \$35(2). The company warned that the discussions did not justify such a move.

British Gas

British Gas said it repaid a £750m debt to the government, the first tranche of £2.50n un-secured debentures issued as

had been achieved through the continuing growth in sales of the last year.

The Macallan, the company's single mait whisky brand, as well as an increase in new fillings orders.

The decline in prices of energy and a material drop in interest charges—down from the year to end-March 1988, British Gas will pay back In the year to end-March 1988, British Gas will pay back

a further £250m followed by \$460m in both 1988/89 and 1989/90, and the remainder in equal instalments of £350m over the following two years.

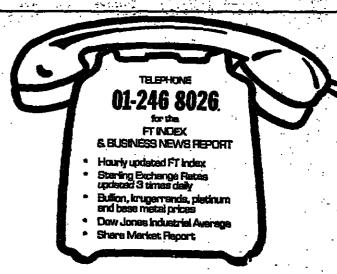
#### Randsworth in £14.5m agreed bid for Apex

the company at £14.5m.

Bandswerth Trust yesterday commenced in August of last unveiled an agreed offer for year.

Apex Properties which valued At Portal House, Bourne. At Portal House, Bourne-

mouth, refurbishment was at an The offer is 135p in cask for advanced stage and marketing every Apex stock unit, with a had started. The residential loan note alternative. Directors development at Barnet was loan note alternative. Directors development at Barnet was and certain other stockholders nearing completition and 12 have irrevocably accepted the offer in respect of 62.57 per cent market with unit prices in excess of expectation. Directors worth owns 24.37 per cent of were examining various alternative. Apex. natives for the Peasmarsh.
Randsworth said it was now Guildford, site and a fresh poised to benefit from some planning application would be of the development programme submitted shortly.



We are pleased to announce that our firm has been elected a member of the

#### London Stock Exchange

and will provide multi-currency clearing and international settlement services

Pershing Keen & Co. Limited

Basildon House, 7-11 Moorgate London EC2R 6AH (01) 600 9100

March 31, 1987

#### Grindlays Eurofinance B.V. U.S. \$100,000,000

**Guaranteed Floating Rate Notes 1992** Guaranteed on a subordinated basis by



#### Grindlays Bank p.l.c.

in accordance with the provisions of the Arces, notice is needly given that for the Interest Period 31st March, 1987 to 30th September, 1987 the Notes will bear interest at the rate of 69% per annum. The Coupon Amount per U.S. \$100,000 Note will be U.S. \$3,431,25 and the Coupon Amount per U.S.\$10,000 Note will be

The Interest Payment Date will be 30th September, 1987.

Agent Bank Samuel Montagu & Co. Limited

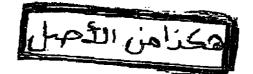


**Bank of Montreal** 

£100,000,000 Floating Rate Deposit Notes due 1994

Notice is hereby given that the Rate of Interest for the three month period 30th March, 1987 to 30th June, 1987 has been fixed at 10%s per cent. The amount psyable on 30th June, 1987 will be £126.82 per £5,000 Deposit Note and £1,268.15 per £50,000 Deposit Note,

Morgan Guaranty Trust Company of New York



Acorn

swings

profit

back into

DESPITE HEAVY expenditure

on new product launches and

continuing investment in future

# Rugby Cement advances by 62%

Ragby Pertiand Cement continued its strong first half recovery and exceeded market forecasts with record year-end organic growth. Its new were only £2m higher than the the total But the transformation could not have been worked forecasts with record year-end organic growth. Its new profits up 62 per cent to subsidiary, Rothervale Joinery profits up 62 per cent to subsidiary, Rothervale Joinery Ltd, made a small contribution after profits from the UK Rom continued its steady

THE CANADA TO SEE A SECOND SECOND

Turnover rose more than 24 per cent from £252.15m to £313.32m, while earnings per share increased by 17.5 per cent from 18.7p to a new high of 16.1p. Directors have recommended a final dividend of 3.9p (3.5p) making 7p for the year, compared with 1985's figure of 8.4p.

Compared with 1950's rigure or (6.4p.
Mr G. A. Higham, chairman, said that in the UK Rugby for Cement benefited from increased volume and cost reduction exercises but was adversely affected by the cost of further redundancies. There of further redundancies. There had been a modest increase in the demand for cement.

The division's profits rose from £8.68m to £16.45m. The joinery division's trading profit rose from £3.74m to

0.6125p net per 5p share.

The directors said yesterday

ring losses since 1982. There is also a return to the dividend

After another poor first half of 1986, the second six months

saw a sharp turnround with an improvement of \$548,000 so

that the full year's results showed a pre-tax profit of £380,000 compared with the loss of £3.12m for 1985, after allowing for exceptional items of £184,000 which arose from compared to the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which arose from company and the state of £184,000 which are state of £184,000 wh

pany restructuring.

Bipel tops forecast and

has strong cash balance

Bipel Group, West Midlands totalled £5.9m (£5.44m) and engineer, has beaten the profits included a full 12 months for the time of its entry to the for Carrington Packaging.

For the year to end-December 1986, profits rose to £1.26m pre-tax. That was an £71,000.

firm base for expansion. buyout of Turner a Group turnover for 1986 engineering division.

**Boustead back in profit** 

as second half recovers

company with operations in the Zinc to the board. UK, Singapore and Brunei, is back in the black after incuroperations can be a seen to be a seen

Boustead, a financial bolding and R. J. Altham of Rio Tinto-

Steel construction products produced profits of £1.58m, compared with 1985's figure of £1.18m. Overseas trading profits fell

from £7.95m to £7.4m, with cemert and lime at £4.4m (£5.6m), millwork at £2.13m (£1.57m) and the hotel division at £878,000 (£796,000). Related companies suffered from the severe price competi-tion in US cement markets, contributing £2.56m compared with £3.1m last year.

Taxation returned to a more normal level, taking \$12.07m, more than three times the £3.41m charge in 1985.
Minorities took £344,000 Minorities took 1272,000 (£480,000), Interest charges cash from £2.82m to £3m.

Tax accounted for £393,000

buyout of Turner & Newall's

About one-third of Boustead's

mainly to light engineering in the UK and the remainder from

Brunei (motor trading) and Singapore, where it is heavily

involved in service industries

of Boustead Davis (Metal

Ferguson Industrial Holdings PLC

has acquired

**Berisfords Group plc** 

The undersigned acted as financial advisers to Ferguson Industrial Holdings PLC

in this transaction

ARBUTHNOT LATHAM

BANK LIMITED

Corporate Finance Division 131 Finsbury Pavement, Moorgate, London EC2A 1AY. 01-628 9876

travellers cheques.

previous year, said Mr Higham. Rugby Cement was well pre-pared to operate now that the UK cement manufacturers had ended their 53 year old Common Price and Marketing Arrangements since the end of the year, said Mr Higham,

although a period of adjust-ment could be expected. hotel companies in Western Australia had agreed to sell the Parmelia Hotel for A\$31.5m (18.5m), some £7m more than its book value as at December 1988.

The company plans to change its name to the Rugby Group. comment

Rugby's request to shareholders to drop the Portland Cement from its title is significant. The group's efforts over the past two years to diversify from the slow growing, com-petitive cement business to

could not have been worked without making the cement business an efficient cash generator. Acquisitions total-

ling £110m since autumn 1984 have left the balance sheet unscathed. In 1987 the John Carr joinery business will show its paces, aided by the Rother-vale purchase, and the US equivalent, also added to in 1986, will improve its margins. UK cement profits may not rise, despite good volume growth, following the break-up of the cartel and in Australia work has to be done to tackle problems similar to those now solved in the UK. Since the 1986 figures beat expectations, the tendency is to increase forecasts for 1987, and £40m pre-

tax now looks a minimum. Even so with the shares down only 1p to 240p yesterday, despite titive cement business to the market, the prospective per attractive parts of the of 13.3 gives little away. the market, the prospective p/e

#### EBC moves ahead after eliminating loss-makers

improvement of 30 per cent over the previous year's 4.51p compared with a previous 5974,000 and £113,659 ahead of 3.33p.

It was pointed out that the order books. As promised, shareholders first orders for the new Pipel are to receive a dividend of Diltmaster micro processor had been received from both West Germany and the UK, and that the overall level of enquiries that the group's cash position had remained strong. They added that year-end cash balances of £2.55m provided a in 1981 through a management their plant ass

There was an increase from ties, with turnover of 54.34m, 55.01m to 56.77m in share-incurred trading losses of holders funds, Staed earnings 5344,000 in 1986 and 5514,000 on per 50p share of this USM com-

#### Interlink expansion in US

the Unlisted Securities Market Purolator Courier. in October with a market capitalisation of more than £25m, is considering a future purchase of a small US parcels company, as a first step in the possible formation of a nationwide franchise parcels operation in the US.

such as transportation, servicing of shipping, travel and Interlink Express has in-structed a US consultancy, Francorp, to do research into US franchise law over the next Turnover last year was £38.85m (£43.19m) and group operating profit was £684,000 (loss of £687,000). Exceptional items took £184,000 (£2.29m); four to five months, as a prelude to a possible company acquisi-

Mr Richard Gabriel the Boustead has been selling at £238,000 (£863,000), interest at £238,000 (£863,000), interest at £238,000 (£1.5m) organising other sectors. There and share of profits of associated companies was £181,000 (£348,000). investment income was down chairman and managing director of Interlink Express, said yesterday (Monday) the company had "nobody in mind and there was that we are to make an offer for Tax took £212,000 (£72,000) and minorities £26,000 (£1.27m Purolator Courier corporation credit) leaving profits of £142,000 (loss £1.92m). The corresponding figures for 1985 have been restated to take account of the deconsolidation of the US."

"I doubt we would be in a position to make a bid for the corporation. This would be almost impossible. The sum of money needed is too big and finding the money in the timescale would be difficult."

PRETAX profits at EBC, the written off, was brought back Exeter-based group which prowides management services to sale of scaffolding materials.
the construction group, rose
from £1.12m to £1.32m in 1986. down from £56.17m to £51.44m. The directors said good control took £423,000 against tributions were made from the £401,000, and there was an company's building contracting extraordinary credit this time activities, and its companies of £71,000.

The final dividend is effectively relief to the final dividend is effectively relief.

In a restructured specialist division, EBC has eliminated

heir plant assets.
The three discontinued activi-

tively raised from 3.6p to 4.78p net for an increased total of 7p division, EBC has eliminated (5.2p adjusted) — dividends three non-contributing com- absorb £341,000 against panies by firm action, with a £279,000. Retained profits came compensating profit on sale of out at £628,000 compared with

turnover of £6.68m in 1985. A pany improved from 15.9p to total of £413,000 previously 19.8p.

Interlink Express, the parcel Mr Gabriel said. Interlink delivery company which joined Express has had no talks with

### Nick Garnett on Hawker's acquisition policy

### A love affair with the US

Hawker Siddeley's (25m) purchase, announced yes-terday of Usbased Modute, marks another small step in the partial transformation of the UK electrical and mechanical engineering group.
The US company manu

product creation and advanced research and development, the facturer analogue and digital panel meters, used in process control and power distribution. During the past two years Hawker Siddeley has purchased research and development, the Acom Computer Group swung from losses of £2.94m to profits of £1.03m pre-tax in 1986. The release of foreign cur-17 companies, all but four of them in the US and largely rency reserves, treated as an extraordinary credit, lifted the concentrated in electronic conretained balance for the year to trols and instrumentation.

Mr Bruno Soggiu, Acorn's chairman, warned, however, that the improved results did not mean there was room for complacency.

He said the purpose of the

investment in new and innova-tive technology was to secure long-term profitability.

Current products were selling well and Mr Soggiu expected them to continue to provide a

solid base to Acom's activities.
Turnover for 1986 reached
£46.66m (£20.12m). There were
exceptional credits of £254,000

exceptional creams of £254,000 (debits £1.93m).

Earnings amounted to 1.5p per 10p share compared with previous losses of 1.2p).

Acous's shares are traded on the USM. The company is a subsidiary of Olivetti International. comment

Recovery is under way but this Acorn has a long way to go before it becomes a mighty oak. A nice little exceptional item made the figures rather more palatable than might have been the case; it is obvious that sales of the Master Compact have been disappointing. For the first half, despite more sales as an original equipment manufac-turer (OEM in the jargon), progress is likely to be static and hopes are pinned on the launch of the 32-bit RISC in the second period. That seems also likely to trigger a rights issue, which will push down the Olivetti stake from 79 per cent and open up an extremely limited market. Assuming that pre-tax profits hit £2.75m this year, and with tax losses amounting to around £17-18m, the shares at 62p, down 6p yesterday, are on a prospective p/e of 15. That seems to count fully the medium term recovery prospects.

†8.1m formers and switchgear.
ed yes Many of the purchases were though the largest purchase added to Hawker's battery interests by giving it a large US lithium battery maker.

tunities there for finding likely acquisitions and because of the growth potential offered by the markets in which some of the purchases operate.

Many of the purchases—mainly in technologies and sectors with which Hawker is That thinking was already in play towards the end of 1984 when Hawker bought 40 per familiar—were relatively small. A half of the US buys had cent of Safetran, a US manufacturer of railway signalling equipment and level crossings. However Hawker, which is purchase tags of \$10m or less.
But the outlay so far of
around \$215m clearly indicates
two of the strands in Hawker's
strategy since Mr Bob Bensly
took over as managing director expected to announce slightly lower yearly profits next mouth of between £150m and £155m, appears to be changing its operations on three other fronts. Firstly, it has been disposing for companies making low

took over as managing director in March 1984 a group widely perceived to have lost its way in the late 1970s.

One of those strands is the choice of controls, instrumentation and cables as the main growth area for Hawker given returns or not perceived as part of core activities. In the past two years or so Hawker has sold L, Gardner, a the lack of buoyancy in the group's more mature sectors like diesel engines electrical motors and generators, translow-volume bus and truck diesel engine maker, Crompton Electrical Cars, which makes milk

Many of the purchases were has shut down Electrical Con-in areas related to power struction, which produced small generation and rail systems generators. Earlier this month though the largest purchase — it put up for sale its Trenton \$60m for Power Conversion — rail rolling stock company in

Secondly, it has been reorganising some of its UK businesses. Lister and Petter, The other is the new love businesses. Lister and Petter, affair with the US, partly makers of very small diesels, because of the greater oppor- were merged and earlier this were merged and earlier this month Hawker announced that it was combining the marketing and some of the manufacturing of its Oktham and Crompton battery subsidiaries. Its Tungstone battery operations are likely to be put into this grouping soon.

Finally, it has continued to say that it was committed to its core businesses in the UK. The diesel industry believes Hawker would be willing to sell Lister-Petter but that company, under new local management, has been developing a new range of water cooled engines to try and claw back some of the market share it has lost to companies like Kubota and Yanmar of Japan.

Hawker is also negotiating to buy Newman, a manufacturer of small electric motors which Hawker says would add to its product range and technology.

#### Campari returns to profit and plans £2.3m rights

AFTER INCURRING losses in not rank for the final dividend each of the previous three in respect of the year to Novembers, Campari International ber 30 1986, but they will, when has swung back into the black with pre-tax profits of £1.78m for the year to November 30 1986. The recovery started in the second half of the previous year, and continued throughout the next 12 months. At halfway its losses were greatly reduced from £1.2m to just £95,000. Losses in the previous 12 months totalled £494,000.

This importer and distributor of leisure, camping and boating equipment, is now proposing a one-for-six rights issue to raise £2.3m net. A total of 1,432,243 new ordinary shares at 20p will be offered at a price of 170p. be offered at a price of 170p, payable in full on acceptance.

The new ordinary shares will

in respect of the year to November 30 1986, but they will, when fully paid, rank pari passu in all other respects with the existing issued ordinary shares. Irrevocable commitments to

take up entitlements have been received in respect of 632,729 (44.2 per cent) of the new ordinary. The remainder has been underwritten by Arbuthnot Latham Bank. Stockbrokers to the issue are Earnshaw Haes & Sons.

The final dividend is raised from 0.5p to 2.5p for a total of 3p net (1p). Stated earnings per 20p share were 19.5p (6.17p loss) on a net basis, and 20.63p (5.81p loss) on a nil basis. Group turnover rose from £28.2m to £30.96m.

#### Manders 18% up to record £5.1m

HIGHER SALES and improved productivity enabled Manders (Holdings) to report record pre-tax profits—up 18 per cent from £4.3m to £5.1m—in 1986. The final dividend is raised from 6p to 7.2p for a total of 10p net, against 8.1p, an in-crease of 23.5 per cent. Stated earnings per share improved from 17.8p to 20.6p.

The major source of the increased profits came from the UK decorative division.

Group turnover rose from £49.32m to £53.82m. Operating profits by division: UK paint pronts by division: UK paint and printing ink £2.42m (£1.71m); overseas printing ink £608,000 (£357,000), and property £2.55/m (£2.08m). Interest took £689,000 (£137,000 received), and there was an expertional credit this time of exceptional credit this time of

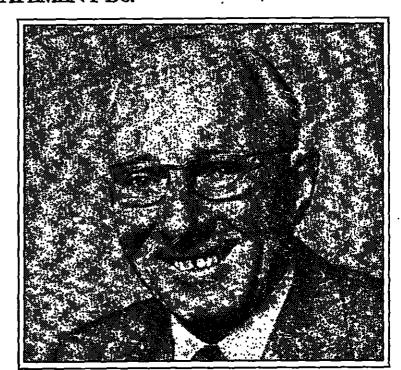
#### -PRESIDENT'S STATEMENT 1987

\*1986 was a year of steady growth for your Society. Assets increased by £495m to £4,417m. Of greater significance was the £34m which was transferred to the general reserve, increasing the ratio to 4.2%."

"The level of reserves has become increasingly important as societies extend their activities under the powers available in the new legislation and is now of much greater significance than the traditional measure of performance relating to asset growth.

#### ◆CUSTOMER SERVICE ◆

"We have already identified the need to invest significantly in technology to ensure the continuation of a quality service. With a view to meeting the additional demands, a new computer centre is being developed which will be capable of servicing the Society's needs for many years ahead. The project is well under way and is intended to become fully operational during the Summer of 1987."



"A new range of services will make a positive contribution to the strength and security of your Society."

#### ◆ SAVINGS AND INVESTMENTS ◆

During the year, the Society improved the terms on a number of investment accounts and in so doing, remained competitive in the personal savings market."

"We are committed to providing products and services designed to satisfy the changing needs of members. We will, therefore, continue to develop our range of investment and savings products to match the requirements of our current and future members."

#### ◆LENDING◆

"The Society continued to provide substantial mortgage funds, and £874m was advanced during the year."

"In addition to concentrating on our traditional lending for house purchase, we will be providing two new types of loan, one solely for home improvement purposes and the other for private purposes."

ಕ್ಷಕ್ಕಾ ಸ್ಥಾನ ಪ್ರಸಾಕ್ಷ ಪ್ರಧಾನಗಳು ಕಾರ್ವನಗಳು ಅಥವಾಗ ಗುವಿಸಿ ನಡಗಿಗೆ ಹರೆದ್ದಾರೆ ಗುವಿಸಿಗಳು ಪ್ರವಾಣಕ ಸಂಪುರ್ವವಿಗಳು ಸರ್ವವಿ ಪ್ರಧಾನಕ್ಕೆ ಸಂಪರ್ಕಕ್ಷ ಪ್ರಧಾನಗಳು ಕಾರಣಕ್ಕೆ ಅಥವಾಗಿಗಳು ಸಂಪರ್ಧಕ್ಕೆ ಗಮಿಸಿದೆಯೇ ಮುಂದಿಕೆ ಸರ್ವಿಸಿಗಳು ಸಂಪರ್ಧಕ್ಕೆ ಸಂಪುರ್ವಸಿ

#### ◆PERSONAL EQUITY PLANS (PEPs)◆

"The Society welcomes the Government's promotion of individual share ownership."

We have responded by successfully launching our MarketMaster PEP'87 with the aim of providing capital growth. The funds are invested by James Capel & Co., a leading firm of stockbrokers, in a range of shares of well-known 'blue chip' public quoted companies."

#### ◆ BUDGET ◆

"It is to be hoped that in the next Budget, Stamp Duty will be removed from house purchase."

Highlights from the report given by the President, Robert T. Gardner, CBE, PCBSI, CBM, onembers of Bradford & Bingley Building Society for the year ended 31st December 1986.



BRADFORD & BINGLEY BUILDING SOCIETY, CHIEF OFFICE: BINGLEY, WEST YORKSHIRE, BD162LW A Member of the Building Societies Association

10 the Wate 

THE PROPERTY. Section 2 Section 1 "ಸವ್ಯಾಪ್ಪ<sub>ಪತ್ತಿಸ</sub>್ಥ The last fee of the last fee o

Marie Belge Tant Temp Promoternia 

್ರಾಯಾಗುತ್ತಿ is to me in.

منات منات ero, vuil The record # 350## 73 15 15# 7 ## 0#5 0 (a) 015 Pre-file and a fea-

Macpherson, the chairman, said:
"I firmly believe that results
in the current year will show a significant improvement." Changes of personnel at the top both in UK and Singapore have been effected and there is further strengthening of the board planned with intended appointments of Mr Robin Bailey, of Standard Chartered,

i sh

# Albright & Wilson 1986 results

	£million 1986	1989
Sales	651.7	642.4
Trading profit	45.6	41.
Capital expenditure	32.6	43.0
Net capital employed (end of year)	289.4	289.3
Return on capital (average)	15.8%	14.8%
Number of employees (end of year)	6,600	6,750

The above figures and the notes below relate to the Group managed by Albright & Wilson, including compound directly by Termeon.

UK profits improved, mainly because of lower raw material

Sales in Europe (excluding UK) increased by almost £40 million and accounted for 35% of

Exports represented over 40% of UK production. Exports to some developing countries were affected by their shortages of foreign

Overseas companies continued to account for most of the Group's profit with a decline in Canada offset by improvements in the rest of the World.

1986 results include a full year's contribution from the US operations of Albright & Wilson Inc. acquired in May 1985.

Albright & Wilson makes chemicals and related products in many countries and trades throughout the world.

Its principal product areas are phosphorus chemicals, surfactants and paper industry

It is a major supplier to many industries including detergents, toiletries, pulp and paper production, metal finishing, food, agro-chemicals and textiles.

It is a wholly-owned subsidiary of Tenneco Inc., a diversified energy company with its headquarters in Houston, Texas.



Copies of the Albright & Wilson Review of the













International in Chemicals 1 Knightsbridge Green, London SW1X7OD

This announcement appears as a matter of record only.

Following the recent announcement of Telerate's purchase of the Associated Press and Dow Jones interests in the AP-DJ/Telerate **Partnership, all business previously trade** under the name of The Interfinet Group will now be traded as The "Telerate" Group.

INTERFINET (U.K.) LIMITED IS NOW TRADING AS TELERATE (U.K.) LIMITED.

I INTERFINET SERVICES LIMITED IS NOW TRADING AS TELERATE SERVICES LIMITED.

☐ INTERFINET (TECHNICAL SERVICES) LIMITED IS NOW TRADING AS TELERATE (TECHNICAL SERVICES) LIMITED.

ALL OTHER COMMERCIAL ARRANGEMENTS WILL REMAIN THE SAME.



12-15 Fatter Lane, London EC4A 1BR. Telephone: 01-583 0044. Telex: 943117. Facsimile: 01-583 1837.

### Blackwood Hodge profits | Lower metal prices rise 23% to £8.8m

Blackwood Hodge, the earthmoving and mining equipment company, were just short of best hopes but showed a 23 per cent improvement over 1985's

Profit growth would have been even better, said the chairman, Mr Arthur Richards, f certain overseas currencies had not weakened against sterling during the year.

Mr Kenneth Scobie, managing

Air Kenneth Scoole, managing director, reported that turnover and operating profit of overseas companies improved by 25 per cent and 20 per cent respectively in local currency terms wheras the main operating subsidiary in the UK experienced

promising results he said. These two activities which represented approximately 50 per cent of turnover were vital contributors amounted to 204m (£198m) to the group's long term profit. to the group's long term profit-ability.

November 1985. Export activity vestment income was £1.68m was well down with a 30 per (£1.72m) while interest payable cent fall in sales to £18.7m, was down from £7.74m to These factors caused a reduction £5.61m.

won acceptance for its £42m offer for Tenby Industries, yes-terday revealed that its 1986

profits had risen from £3.38m to £4.31m at the pre-tax level.

The directors said the cur-rent year had started buoyantly.

They anticipated a significant

They annicipated a significant increase in decorative lighting profits and good progress from the commercial side.

Turnover for 1986 pushed ahead from £30.68m to £38.15m.

After tax of £1.5m (£1.36m) earnings worked through 4.4p ahead at 18.6p.

A final dividend of 4p raises the total from 5.5p to 6.3p net

the total from 5.5p to 6.3p net

on the enlarged share capital. Both the dividend and earnings were ahead of the forecast made by the group last April.

The directors said the out-look for the decorative light-ing side was buoyant and that they anticipated a significant increase in the division's pro-

On the commercial lighting side, the Marlin offshoot improved its margins to 13 per cent, reflecting improved manufacturing efficiency together with initial benefits of an improved product portfolio.

They added that following enough at 14.

**Zygal Dynamics acquires** 

Zygal Dynamics, the USM finance director, said the acquisi-quoted computer products com-pany, is acquiring the Base-Sys Group for £3.5m. Base-Sys' main activity is operating a motor insurance software pack-finance director, said the acquisi-tion will add software skills to Zygal's hardware expertise. In the eight months to December, Base-Sys made an operating profit of £209,000 on

Base-Sys in £3.5m deal

fits for 1987.

BY RALPH ATKINS

age. Shares in Zygal Dynamics were

cent of the enlarged share

Of the new shares, 1.2m will be brought to the market via a

vendor placing. The remainder will be issued to the three share-

holders of Base-Sys, an unquoted public company.

Two Base-Sys directors, Mr
Bryan Fry and Mr Ric Palmer,
will join the board of Zygal.

Mr Jonathan Firth, Zygal's

Emess hits £4.3m and

Emess Lighting, which last consolidation of Tenby Indus-year lost its battle to take over tries, Emess' net assets would Rotaflex but which last month increase by 50 per cent to £22m.

comment

sees further progress

The Australian company, Mr Scobie continued, enjoyed another successful year with, in local currency terms, turnover improved by 30 per cent and operating profits by 19 per cent—in real terms operating profits were down from £3.04m to

On the same basis, Canada increased turnover by 25 per cent and operating profits by 32 per cent-up from £3.92m to \$4.5m actual while African subsidiaries turnover showed a operating profits increased by 6 per cent—although down from £3.19m to £2.69m actual. The Rest of the World per-

formed well with turnover and a reduction in sales and profits due to a downturn in the market for its products.

Plans to increase sales of both in operating profit here was parts and service were showing from £339,000 to £1.23m.

while operating profit was down from £13.18m to £12.76m after In the UK domestic turnover increased to £37m of which £151m in cost of sales and a £4.6m was accounted for by slight rise from £40m to £41m Talbot Diesels, acquired in in administrative expenses. In-November 1985. Export activity vestment income was £1.68m

of 38 per cent, from £2.09m to UK tax was up from £39,000 £1.29m in the UK operating to £363,000 and overseas from profit.

Having been battered when the group failed to take over Rota-flex, shares in Emess have

bounced up following the Tenby purchase, which still has £12m of useable tax losses. Although

yesterday's figures were no sur-prise, as they matched the fore-

cast made during the Rotafiex bid, the shares now stand at

394p, 100p above their January level Mr Meyer tries to make

the best of even his worse moments—he has lured a Rotaflex executive to take over

Marlin, the lighting group which has so far been slow to

which has so far been slow to respond to treatment since it was first bought in 1985. That should reap some benefits and adding in Tenby puts the pretax profits target for this year at around £8m. The new strategy will be to concentrate on the prepartie! Highway

the potential linkage between electoral accessories and light-

ing and to play down some of the peripheral activities like distribution. But the run in the

share price seems to discount the potential for progress and

the prospective p/e looks high

operating profit of £209,000 on turnover of £593,000. Pre-tax profits of not less than £365,000

Stated earnings per share. adjusted for the August 1986 two-for-five rights issue were 6.18p (6.56p). As forecast the gal dividend is 0.5p making 1p

#### comment

If there's one thing worse than paying tax it is having to write-off allowable expenditures because one is not earning or paying out enough to cover them — this, taken together with a £2.1m negative currency effect, is the sad fate of Black-wood Hodge. The present UK construction boom has not benefited the company which depends on heavy earth moving jobs rather than the lighter end of building activity. Acting as a distributor of other company's products has its advan rages—Japanese manufacturers are happy to have Blackwood holding their inventory at next to no interest charge in order to show better sales than would otherwise be the case. However, otherwise be the case. However, this is a short-term expedient and Blackwood's problem is the lack of a solid UK carnings stream, for tax and other purposes. Forecasts of £104m produce a fully diluted prospective multiple of 8 at 524p. This rating suggests that only a private company might take the paper and with 75 per cent gearing that's really all Blackwood has to barbain with. wood has to bargain with.

#### Johnsen & Jorgensen's

glass containers, reported record results for 1986 with pre-tax profits rising from £1.13m to £1.31m.

fl.13m to fl.31m.

Mr John Jorgensen, the chairman, said that the outlook for the packaging businesses was encouraging.

The chairman pointed out that in March this year the plastics company leased a new 50,000 sq ft factory in the Corby development zone to provide for expansion and which is scheduled to become operative towards the end of

ALTHOUGH making good progress in the six months to January 21 1987—pre-tax pro-fits rose by 16 per cent from £1.21m to £1.41m Mr Terry Rutter, chairman of UDO Holdings said the results reflected some temperary disappointment. He said that, in common

with many other businesses, turnover was badly affected by the severe weather in January Turnover of this supplier of drawing office equipment and drawing office equipment and provider of specialist reprographic services, rose from £9.77m to £12.21m. The interim dividend is raised from an adjusted 0.5p to 0.6p, and stated earnings per 10p share improved by 22 per cent from 3.6p to 4.4p.

Mr Rutter said the company was continuing its policy of

snares in Zygal Dynamics were suspended at 89p yesterday until this morning at the company's request, when shareholders should receive a circular about the deal.

The acquisition is being financed by the issue of 4.18m new shares in Zygal, or 45.5 per cent of the enlarged share In the half year ended September 1986, Zygal reported pre-tax profits of £206,000 compared with a loss of £77,000 in the same period in 1985.

## record £1.3m

Johnsen & Jergensen Packaging, the USM quoted manufacturer of plastic and

operative towards the end of the year the year
Turnover in 1986 was up
from £13.26m to £14.3m; tax
took £497,000 (£523,000) and
minorities £24,000 (£23,000)
leaving attributable profits of
£774,000 (£578,000).
Stated earnings per share
were 11.78p (8.79p). The
dividend goen up from A.1p
to 4.92p via a final of 3.57p
(2.85p).

#### Weather holds back UDO

was continuing its policy of diversification, both to expand diversification, both to expand and reduce dependency on any one sector. To this end, it had launched its new Siteplan division which specialised in providing a fast and efficient reprographic service to building sites across the country.

#### An important announcement to our stockholders:

Copies of the 1986 Annual Report of Citicorp can now be obtained from:

Citibank, N.A., 336 Strand, London WC2R 1HB, telephone 01-438 1019 between the hours of 9.30am and 4pm Monday to Friday.

Postal applications should be addressed for the attention of Freddie Dawe.

CITICORP CITIBAN

# hit Amari results

prices and increased finance charges, resulting from acquisitions, were blamed.

Turnover improved from £160.47m to £178.1m but profits fell from £7.24m to £6.07m. Earnings per share fell by 5p to 11.10.

However Mr Michael Ward Thomas, chairman, said to underline the group's coninderline the group's confidence in the future the directors were proposing to increase the final payment to 3.5p (3.2p), making a total of 6.5p, against 6.2p.

"During a year in which the dominant feature of our trading environment has been a further emision in the prices on

further erosion in the prices on the metals which we handle the group has been able to carry out an extensive programme of expension and investment. Sales and profits seen in this context confirm my belief in the quality of the group," he

The pre-tax figure was struck after interest costs approxi-mately doubled to £1.8m. The tax charge was £2.14m (£2.41m) and minorities took £251,000 (£164,000).

There was an extraordinary credit of £373,000 (£1.91m) being deferred consideration for Century Aluminium less a loss incurred on an investment in a related company.

Directors said that a signifi-cant programme of acquisitions

Amari, metals and plastics had been completed which stockholding distribution and together with the continuing processing group, reported a development of existing operatal of 16 per cent in pre-tax tions should expand the group profits for 1986. Lower metal greatly. Important steps had prices and increased finance also been taken to develop the value added areas of the

business. Three Three acquisitions had enabled Amari to become market leader in the distribution and processing of stainless

#### comment

Amari takes a more or less fixed margin on the metals it supplies so the sharp fall in prices in 1985 and a further deterioration last year have impacted directly on its pre-tax result. The other main factor has been the cost of acquiring related businesses whose debts have been consolidated into group borrowings and taken the figure up to nearly 50 per cent of shareholders' funds. Amari's or shareholders funds. Amarr's strategy is to move out of the more cyclical community and of the distribution business into higher value added products such as staniless steel, inde, nickel alloys and industrial products, especially in the US. One day the strategy may bear fruit, but it will not be this year; in the short term, shareholders can probably expect little more than from pre-tax for 1987 and vir-tually static earnings after the rights dilution. With the shares down 5p at 142p, both the 6.5 per cent prospective yield and longer term optimism seem to have been discounted in the

#### **British Syphon recovers** 33% after midway fall

ish Syphon Industries, • comment holding company, produced pre-tax profits 33 per cent ahead at £2.66m for 1986 and a 33 per cent increase in the dividend on the enlarged share capital after the acquisition of Marshall's Universal last May.

Syphon's interim profits to June last year took a £393,000 tumble to £808,000 after high interest charges and difficulties in the paper manufacturing division, in October it sold its drinks dispensing division to IMI, the metals and engueering

Turnover for 1986, which included seven months' trading for Marshall's, rose 44 per cent from a restated £76.5m to £110.12m.

Samings per share fell from 9.2p to 8p, reflecting the issue of shares for Marshail's.

Directors have recommended a final dividend of 2.33p (1.75p), making 4p for the year against 1985's figure of 3p.

British Syphon has undergone

major changes in the past year. It has sold its Coldflow and Vending Centre for £9m, increased its paper making capacity from 60,000 to 100,000 tonners a year and it name and its paper making capacity from 60,000 to 100,000 tonnes a year and is now concentrating on specialist papers. Yesterday's 33 per cent pre-tax profit rise shows that this restructuring has begun to pay off. Pre-tax profits of up to £5m are forecast for this year which, at yesterday's close down 3p at 127p, gives a prospective p/e of about 11. This looks unduly pessimistic given the scope for cutting costs and increasing turnover following the acquisi-LILU-12m. Fo tion of Marshall's in May and the Bryan Morrall, chairman, Group in 1985. The group has a said the continuing reorganisa strong management team. There tion of the group's paper is potential for growth in all manufacturing activities was divisions and an expansion of beginning to produce results. Its exports could be the Icing on Tax took £642,000 (£239,000) the cake. Gearing has a superior of the cake. Gearing has a superior of the cake. but the group says it will not be making further acquisitions in the next six months, giving it, and the market, time to fully digest the changes that have been made,

#### **BOARD MEETINGS**

Interime—AB Electronic Products,
C. H. Beazer, Maxipolnt.
Finals—Anglo Eastern Plantstiona,
Arcolectric, Baillie Gifford Technology,
Blockleys, Bunz, Christies internetional, Combined English Stores,
Debror, Evens Halshaw, Gaskell Broadtoom, Geest, Goel Petroleum, Grampian
Holdings, IMI, Jave Investments,
London and Edinburgh Trust, London,
and Scottish Marine Oil, Albert Martin,
NMW Computers, Peek Holdings,
H. & J. Quick, Scottish Heritable Trust,
Senior Engineering, Telfos, Turriff Cor-Senior Engineering, Telfos, Turriff Corporation, Wilson (Connolly), Worcestor Group.

An open ended fund (listed in London) specialising in shares of precious metals, oils and other minerals. Consultant: Dr F.D. Collender.

investment Advisers: Strauss, Turnbull & Co. Limited Half-year ending 25th February 1987

Interim dividend 15¢ Assets per share \$12.22 +20.2% Since 27.8.86 Gold (dollars per oz) +6.8%

For copies of the latest Interim Report write to: Minerals Oils and Resources Shares Fund Inc., Royal Trust House, Colomberle, St. Heller, Jersey, C.I. For price and yield - see Financial Times "Offshore & Overseas".

#### GRANVI SPONSORED SECURITIES

High Low Company Price Change

161 118 Ass. Brit. Ind. Ordinary 167xd - 3

163 121 Ass. Brit. Ind. CULS 163 - 163 - 163

40 23 Amittage and Rhodes 36 - 36 - 36

40 BBB Design Group (USM) 75 - 222

188 Bardon Hill Group 220 - 1

113 55 Bray Technologies 113 - 133 - 133

107 86 CCL Group Ordinary 133 - 107

271 116 Carborundum Ordinary 267 - 267

4 90 Carborundum 7.5pc Pf. 94 - 92 94 90 Carborundum 7.5pc Pf. 94
125 76 George Blafr 92
118 57 Ind. Precision Castings 116
176 119 leis Group 121
124 101 Jackson Group 124
177 290 James Burrough 9pc Pf. 92
1,035 342 Multihouse NV (AmetSE) 655
180 250 Record Ridgway 10pc Pf. 66
17 Robert Jenkins 76
17 30 Scruttons 77
184 4.9 -10

Granville & Company Limited 8 Lovat Lane, London EC3R SEP Telephone 01-621 1212

3.8

Cranville Davies Coleman Limited 27 Lovat Lane, London EC3R 5DT Telephone 01-621 1212 Member of the Stock Enchange

### III The change of name to Flockwood Holdings Pic on 30th July 1966 to reflect the intended broadening of the company's activities into the distribution, security and defence and financial services fields. In the £0.8 million Rights Issue completed in August 1986 and the associated changes in management control and emphasis. The acquisition of Detence Systems Holdings Limited (DSL) in October 1986 as a first step towards achieving Rockwood's objectives for broadening its activities.

1986 FINANCIAL PERFORMANCE (1986 results include two months contributions from DSL)

Turnover up to £5.7 million (1985; £4.7 million) # Pre-text profits up to £0.154 million (1965; £0.001 million)
# Attributable profits up to £0.1 million (1965; nil) Earnings per share up to 1.3p (1985; nil)

Met assets up to £1.8 million (1985; £0.8 million)

1987 OUTLOOK

 Proposed sequisition of Bond's Delivery Services Ltd. from Imperial Group for £3.75 million is further progress towards declared objectives
 DSL's 1967 order book at £1.55 million at 1st January 1987 (1986; £0.30 million)
 HB Electronics 1987 opening order book up 33% on 1986 at £1.2 million FOR A COPY OF ROCKWOOD HOLDINGS REPORT AND ACCOUNTS RING: 01-582 1233

#### U.S. \$400,000,000 **BankAmerica Overseas** Finance Corporation N.V.

**Guaranteed Floating Rate** Subordinated Capital Notes Due 1996

Guaranteed on a subordinated basis as to payment of principal and interest by

BankAmerica Corporation

Agent Bank

Interest Rate

65/8% per annum 31st March 1987 30th June 1987

Interest Period Interest Amount per U.S. \$50,000 Note due 30th June 1987

U.S. \$837.33 Credit Suisse First Boston Limited

وكذامن الأحل

ices

ers

all



# A COMMITMENT TO THE FUTURE.

The creation of an exciting new company on the British truck market brings with it the formidable strength of the most comprehensive range of commercial vehicles available today.

It also brings with it a refreshingly new level of confidence for the industry as a whole.

The highest quality products on the market; the latest manufacturing techniques; the ultimate in back-up and customer service; and a major investment in the U.K.

truck industry of £150 million over the next five years.

Levels of excellence and reliability geared to give U.K. operators the optimum support they need.

Not only in today's market, but also in the markets of the future.

For that is where the new company's commitment lies.

And with its sights set firmly ahead, the outlook for both the operator and the industry couldn't be brighter.

**Leyland DAF** 

FOR FURTHER INFORMATION TELEPHONE: MARLOW (06284) 6955. OR LEYLAND (0772) 421400.

LONDON

**MARKETS** 

ALUMINIUM

COPPER

LEAD

3,25), aettleme close: 299-300. Turnover: 9,

NICKEL

16.61 (16.61)

ZINC

GOLD

SILVER

SILVER

MEAT

COTTON

per Fixing troy oz Price

24-27 cents per lb.

(848-9), three months 808-9.5 (801.5-2), settlement 882.5 (849). Final Karb close: 806-7. Turnover: 5.700 tennes.

878-6 -6.5 878-2 -2.5

Official closing (am): Cask 872-5 (875-80), three months 879-5-81 (833-4), settlement 875 (880), US Producer prices 677-5-71.5 cents per fb. Total tumover: 36,150 tennes.

Cash 305-5.5 -7.25 307/305 5 months 299.5-300 -3.25 301/500

Official closing (am): 304.5-5 (312.75-3), three months 300-0.5 (303-3.25), settlement 305 (313), Final Kerb

Cash 2335-40 (+2,6 2340 3 months 2351-55 (+0,5 2360/2360

Official closing (am): Cosh 2335-40 (2325-30), three months 2352-3 (2340-1), certifement 2340 (2330). Final Kerb close: 2350-5. Turnover: 348 tonnes.

Cash 468-8.5 |+4 468.5 3 months 461-5 |+2.75 470,460

GOLD BULLION (fine ounce) Mar. 27

GOLD AND PLATINUM COINS

(2270-2743,)

Buillon + or L.M.E. + or Fixing Price Unoffic'i

LME-Turnover: 10 (31) lots of

MEAT COMMISSION—Average fat-stock prices at representative markets, GB—Cattle 92-25p per kg lw (+0.40), GB—Sheep 225.87p per kg est dow (+14.44), GB—Pigs 80.45p per kg lw

(-0.40). FUTURES—Live cattle: Oct 95.00, seles 5.

LIVERPOOL—Soot and shipment sales for the week commencing March 23 amounted to 474 tonnes against 1,962 tonnes in the previous week. Fair operations were seen with dealings in Pakistani, Russian, Chinese, Colombian, Paraguayan and West African growths.

(0,000 az. Three months final kerb 399-401p.

Jnofficial + or close (p.m.) — High/Low 2 per tonne

9.525 tonnes. US Spot

Unofficial + or close (p.m.) - High/Low & per tonne

Unofficial + or close (p.m.) - High/Low

THE TIDE of concern about

an approaching supply squeeze on the London Metal

Quentin Peel on opening shots in the annual Brussels battle

## Scene set for farm price marathon

Germany's fighting Farm Minion the price package yesterday ster. vesterday launched a —only two days before the new ster, yesterday launched a furious attack on the European Commission's tough package of price cuts and production con- 1986 will simply be carried trols, setting the scene for a forward until a new agreement prolonged and bitter price-fixing marathon in the coming months, and the ultimate prospect of deadlock.

He flatly rejected the price proposals, and plans to restrict the use of intervention pur-chases of crops, as "completely unacceptable."

But he reserved his final condemnation for the Commission's plan to scrap all posi-tive monetary compensatory sidies and import taxes—in the strong currency economies of West Germany and the Netherlands. That, he declared, was simply not even a basis for negotiation. amounts (MCAS)—export sub-

assault was certainly not un-expected—it was foreshadowed in a personal letter from Chan-cellor Holmut Kohl to Mr Jacques Delors, the Commission president. But it raises from the very start of the annual negotiations the spectre German veto on the

The Farm Ministers were

Cocoa pact

'unlikely to

THE BUFFER stock rules agreement reached on Friday by the International Cocoa Organis-

ation (ICCO) is an improvement

on previous arrangements but

the price-support mechanism is

unlikely to do more than stem

the decline in cocoa prices, according to many ICCO delegates and traders, reports

The accord was reached

between producers and con-sumers of the 35-member ICCO

council after two weeks of talks at the organisation's London

European chocolate manufac-

turers and delegates said the

accord may boost cocoa prices immediately, but world sur-pluses overhanging the market

will pull them down again

"If the buffer stock opera-

tion is successful, I doubt it will

do anything more than stop the

And if the buffer stock

manager delays too long in buy-ing, or is not seen to be using

his ourchasing power when the

market is relying on him to

do so, the bearish trade reaction could pressure prices.

trees that are more than two

mated at 350 kgs per hectare

THE PRESENT glut on the world's food markets is largely

the result of applying fertiliser and chemical aids such as fungi-

cides and pesticides to growing

crops. Without these materials

the world would probably be a much hungrier place and pos-sibly even a less populated place. The Green Revolution,

which has doubled production

of cereals and other foods,

would have been impossible

There is a body of thought, however, which believes that

the use of most of these materials is wrong, and that the trace elements which their use could leave in food are harmful

plicity these could be termed

organic believers in that the food they eat is produced from

soils fertilised by plant or animal residues and other non

I have never seen any evi-

dence that the use of so-called artificial fertilisers and chemi-

cal substances has injured people consuming the foods

that are grown with their aid.

That some agricultural chemi-

appetite is bound to be acres.

without their use.

mineral elements.

begin producing.

from the sixth year when they

price from falling further,

European dealer said.

headquarters.

lift prices'

season is supposed to begin. As a result, the prices from is reached - probably in late

May or even June. Mr Frans Andriessen, the **EEC Agriculture Commissioner** staunchly defended his package, but his only real supporters among the Ministers were Mr Michael Jopling, of Britain, and Mr Gerrit Braks, of the Netherlands.

Mr Andriessen said the price proposals could not be separated from the plight of the EEC budget, with a likely deficit in the current year of Ecu 3.9bn (£2.7bn), D-cause of the soaring cost of export sub-sidies at the time of a falling dollar

Mr Kiechle's full-frontal posed price cuts and restrictions ssault was certainly not undeficit would still be between Ecu 2.4bn and Ecu 2.8bn—far exceeding the cash within the current limit on budget contri-butions from the EEC member

Mr Andriessen said the pro-posals for MCA changes, and green currency adjustments, were inseparble from the over-

Traders estimate that edible

oils imports this year may reach 1.15m tonnes, against an annual

average of 1m tonnes, because of the current unrestricted

India hakted edible oil imports

because of balance of payments

pressures. But as supplies

became tighter prices shot up, leading to an abnormal increase

in the cost of living index. The

government was then forced to

reverse the policy and liberalise

imports. With a greater flow of imports and higher domestic

output prices have started coming down.

India is capable of achieving

self-sufficiency in oilseeds and

growers have been exhorted to produce more. But output has

stagnated around 1.2m tonnes

during the past five years.

Sri Lanka fights rubber tree disease

years old and affected by the high yielding RIC 103 variety, the Government's Rubber Con-

leaf disease corynespora, the the clone affilicted by cory-troller Department, which head of the Government's nespora. But only about 2,000 monitors the industry, said

Rubber Research Institute said acres are affected by the replanting and base-budding in Colombo, reports Reuter. disease, which causes leaves to would have to be upndertaken

years out which are susceptible close as possible to the trunk's was detected in nurseries as to corynespora will be uprooted

the tree once the bud has taken. Uprooted or base-budded trees mature later, causing an output loss estimated by the tree of the tree of the tree once the bud has budded trees mature later, causing an output loss estimated by the tree of the tree

FARMER'S

By John Cherrington

judiced in this and my prejudices surfaced when reading the newly-published "New

Gear. In it the author, while

recognising the productive achievements of modern farm-

ing, is calling for a return to the sort of farming to which

I was brought up nearly 60 years ago. He depicts it as a

sort of pastoral golden age with crops grown in disease-

healthy animals grazing natural

truth. The four-course rotation was a pretty inefficient way of keeping land free of weeds and

cals are dangerous to human put little fertility back without through the seed. Covered health if wrongly handled is a coat of animal dung or posumut, for instance, would not undoubtedly true—there is sibly ploughing in a crop of appear until the wheat was

health if wrongly manuse as industrially structured is sibly ploughing in a crop of appear until the wheat we plenty of evidence of that—but green manure. The level of nearly ripe, then all you got then so are many other sub-fertility was low and could from the thrashing machine only be increased otherwise by looked like crumbs of soot. To

bad for one's health, one's sufficient to manure my arable cows and sheep. It tended to

This is a long way from the

rotations and

affected.

In a certain way is going to be a lot of stock. I did not have

sprayed and remain under he added.

disease, which causes to before late may when the color of the color o

SRI LANKA will uproot rubber About 7,000 acres (2,750 observation trees that are more than two hectares) are planted with the Mr T. P.

affected trees less than two Sri Lanka has 508,000 acr years old would undergo base-planted with rubber trees.

country's

ments.

policy.

Midway

India's edible oils

problems continue

DESPITE A better 1986/87 oil- tractive for growers than those

seeds crop of about 1.3m tonnes, for oilseeds so only marginal up from 1.15m tonnes in land serviced by poor irrigation 1985/86, India will continue to facilities is devoted to them; pursue a liberal edible oils more productive land is generimport policy to satisfy the ally used for growing wheat and

Prices of other agricultural about to begin and with good commodities have been more at-

The Institute is conducting a (2216) per hectare for replant-survey to determine how many trees will be uprooted or base-charge. "But no compensation

trees will be uprooted or base charge. "But no compensation budded. Healthy trees will be is contemplated at the moment,"

Organic Food Guide" by Alan it has been known for a long

growing require rye.

The Government is now make the growing and all the growing the graph and the graph and the graph are the graph at the graph are the gr



Mr Ignaz Kiechle . . . pack-"completely unacceptable

all price package: green cur-rencies are what dictate the final prices paid to farmers in national currencies.

The present system of freezing positive MCAs and creating only negative MCAs results in only negative MCAs results in artificial price increases for farmers in weak currency countries, he said.

Gentlemen's agreements by Farm Ministers in 1979 and 1984, not to reduce positive MCAs if it meant cutting farm incomes, could not be relevant in the current budget crisis.

ing a serious effort to get as

near self-sufficiency in oilseeds as possible during the current five-year plan, ending in 1989-90.

An annual growth target of 7.5

per cent has been set, which, if fulfilled, tak e production to

1.8m tonnes by the end of this

decade. But the targets have not

been achieved so far and the 1986-87 output, though better than the previous year's, is still

way below the year's target of 1.45m tonnes.

during the remaining three years of the five-year plan the Government has set up a tech-nology mission for oilseeds

ing various measures being which is co-ordinating and guid-

A more attractive set of

minimum prices have been an-nounced for the 1987-88 season

weather the oilseeds crop in

taken at different levels.

r T. P. Lalaratne.

The principles of crop rota-

and are still followed to a large

extent. Few farmers go in for

time that the best way to break

attacks of disease is to vary the species of crops being grown. It was discovered, for instance, that wheat sown in successive

years on the same field would

develop a disease called "take-ail," often in the second wheat crop. This was an apt description. The affected crop

fit for feeding to chickens.

Some diseases were soil

borne and could be transmitted

In order to quicken the pace

Mr Kiehle claimed that the whole package, and above all the MCA changes, singled out West Germany for the wast burden of suffering, and was a complete denial of the principle of solidarity between the member states. The MCA plan would result in a 10 per cent cut in German farm incomes, he claimed.

Mr Michael Jopling, the British Farm Minister, provided one of the few supporting voices for Mr Andriessen,

He gave broad support to the price proposals—although he thought they could be even tougher in some sectors, like olive oil, soyabeans, cotton and tobacco. He strongly supported the idea of reinforcing the present system of guarantee thresholds, cutting prices once production exceeds a certain

The one major bone of con-tention for the UK—supported by West Germany, the Netherlands, Denmark and Portugal is over the Commission's pro-posal for an oils and fats tax. The plan has already aroused fury from the major suppliers of soyabeans (the US) and palm oil (Malaysia, Indonesia and others.) It also amounts to a tax on consumers for which it is strongly criticised.

#### Tin price forecast to stay low

By Stefan Wagstyl TIN PRICES could stay below £5,000 a tonne for several years, encouraging continuing decreases in operating costs. according to a report from Roskill, a London research com-

This forecast is significantly more gloomy for producers than several recent predictions made by other analysts. Roskill says producers are finding it difficult to discard the habits they developed during the 30 years that prices were supported by the International Tin Council, the inter-governmental body which ran out of money in October 1985.

Roskill says tin production in Brazil is likely to continue expanding because costs are by far the lowest in the world Consumption is unlikely to rise by more than 2 per cent a year. Impending restrictions on the use of tin in anti-fouling paints on boats are likely to be a major setback since tin will lose its fastest-growing market, says Roskill.

Consumers who have spent years reducing their consumption are unlikely to reverse this significantly, even in resporte to current low prices, says Roskill. Tin faces stiff competition in packaging — for example from aluminium in cans—and needs to go through a period of stable prices before manufacturers switch to buiplate.

The Economics of Tin 1987,

Roskill Information Services, 2 Clapham Road, London SW9

LONDON METAL EXCHANGE WAREHOUSE STOCKS

	(tonnes)			
Aluminium	-9,675 to			
Copper Lead	-13,250 to -1,625 to			
Nickel	-618 to	3,912		
Tin Zinc	−110 to +1,150 to			
-1176	7 (, 150 to			

+16,00 to 21,818,000

#### In defence of 'inorganic' food nesium and calcium in the animals and cause fits and sud-den death. Nor did the grass have to have been stimulated by dressings of nitrogen. I saw Am Eagle., \$435-440 Mapleleaf 8435 438 Krg'r'nd., \$4371e-4301e 1e Krug...... \$223-824 1e Krug...... \$2121e-3131e Angel........ \$432-436 1/10 Angel 844-49 New Sov... \$101-102 Old Sov..... \$1011e-103 \$ 20 Eagle \$510-560 Nobie Plat \$583-592 it first in Argentina, where no fertiliser were ever used, and suffered it here on unfertilised land. The early cures were calcium and magnesium injections. Now I feed a ration which includes calcined mag-I quite admit that I am pre- tion are known to every farmer nesite, which I notice Mr Gear

proscribes — but on what Milk borne tuberculosis and undulant fever, the latter the human variant of the abortion virus, were very common in the dairying districts. Compulsory pasteurisation contained them and vaccination and elimination by slaughter improved the health of the flocks and herds beyond all previous knowledge.

description. The affected crop would produce white or blackened ears and the grain trums dispensed by the fertimould be shrivelled and only fit for feeding to chickens. about the professions of all the other suppliers. Their wares are all expensive and the art of using them is in restricting the amounts applied to the minimum, while at the same time making sure of a

margin of prot. This is what I doubt I would Neither is there any evidence a fallow, a period without crop, prevent this the seed was achieve if I went in for organic that I know of to substantiate the claim that food produced before some improvement it. There are other seed dress- at present prices. Most organic organically tastes any better or was not until I had the soil ings today which do the same yields I have seen quoted are is more nutritious. I will grant analysed and added what was job. I do not know if organic about half what I need to live on and I would have to be very though that human prejudice missing that I got worthwhile farming allows their use.

on and I would have to be very is a powerful force that if one results. I used mineral fertilispersuaded that food produced sers because, although keeping to long to see after a hard difference.

winter, could be lethal to my difference. The New Organic Food Guide, unbalance the supply of mag- by Glan Fear, Dart, £3.95.

#### INDICES

REUTERS Mar. 30 Mar. 97 Mith ago Year ago 1559.5 1556.2 1586.5 -

DOW JONES Dow Mer. Mar. Mile Year James 37 26 200 ago Spot 116.04 116.97. — — — — Fut 115.50 114.92. — —

(Base: September 18 1931 = 100) MAIN PRICE CHANGES

an approximation and approximation of the cash precash and buying forward) which was reflected in a narrowing of the cash premium over the three months position. Cash Grade A copper closed \$6.50 down at \$1944.50 a toune, while three was little response to the announcement of a large fall in LME warehouse stocks last METALS Aluminium \$1885,475 +5 \$480,4 nouncement of a large fall in LME warehouse stocks last week—down 13,250 tonnes to 123,500. the lowest level since early May, 1986. Dealers said the fall was in line with general expectations and that the bulk was believed to represent shipments to Brazil and the Fr East. The LME lead market was also weak. lead market was also weak, down £7.25 to £395.25 a tonne in the cash position. But cash airminium closed £7.50 cash attention closed 2.50 ap at £860.50 a tonne, encouraged by Friday's breaching of 2 dollar-based resistance level. A sizeable fall in LME stocks last week, bad already been mostly discounted, dealers said.

Goconut (Phill) 5395x +5 5375 Palm Malayan 5350y +5 5390

LME prices supplied by Amalgamated Metal Trading. Barloy Fut. Sept. 599.75 +0. tis£116.0 Maize \$114.75 +0.76£148.6 Wheat Fut. July £123.70 +0.76£118.5 No. 2 Hard Wint. Official closing (am): Cash 862-2.5 Dask 860-1 +7.5 865/882.5 5 months 810.6-11 +4.5 812/807

COFFEE

Robustas traded in light and this conditions on a generally featureless day, reports Oraxel Eurabem Lambert. Despits an upcoming ICO securive board meeting and the rumours of a possible grading of Brazilian registrations the market confined itself to recent ranges. Grade A Unoffic'i + or close - High/Low 944-5 -6.5 959/942 902-2.5 -3.25/904/899.5 Official closing (am): Cash 955-6 (958-9), three months 902-3 (903-3.5), settlement 956 (958).
Final Kerb close: 899-900.

Unquoted. † Per 75-ft flack. c Cents
 pound. \* Cotton outlook. v April.
 March-April. x April-May. y May.

Seles: 1,808 (2,365) lots of 5 toanes, ICO indicator prices (US cants per pound) for March 27: Comp. daily 1973 99.57 (39.88); 15-day average 100.48 (100.44). COCOA

During a quiet day futures traded in a narrow range and closed at the lows. Physicals also felled to axelte either producers or consumers and only light secondhand interest was seen, reports

1870-1877 -7.0 1976-1874 1896-1899 -4.0 1886-1986 1896-1337 -3.0 1885-1886 1847-1848 -0 1885-1847 1875-1876 +2.0 1885-1873 1397-1898 -1.0 1846-1873 1417-1419 +0.5 1484 Sales: 2,510 (4,652) lots of 10 1000 indicator prices (SDRs pol tonno). Velly price. for March 27: 1562.38 (1573.04); 10-day everage for March 30: 1983.04 (1581.72).

KUALA LUMPUR TIN MARKET: Close **POTATOES** 

The market opened very nervously and traded in light volume before erretic buying pushed values up £2.20 from the previous close, basis April. With little fresh news and no resi direction the market eased beck before buying litted prices again, reports Coley and Herper.

Montin Yesterday's Previous Business Official closing (am): Cash 466.5-7 (463-4), three months 462.5-3 (469.5-60), settlement 467 (464). Final Kerb close: 456-6. Turnover: 13.400 tonnes. US Prime Western: 37.5-44 cents per ib.

Sales: 702 (702) lots of 40 toanes.

SUGAR

Gold rose \$7 an ounce from Friday's close in the London bullion market yestarday to finish at \$423-424, its best level since October last year. The metal opened at \$525-526% and treded between a high of \$425% 425%, and a low of \$420-421. The firmer trend was pancipally a reflection of the dollar's sharp fall but it finished below its best level as profit taking developed during the afternoon. LONDON DAILY PRICE—Rew augur \$173.50 (£107.50), down \$7.50 (up £5.00) a tonne for April-May delivery. White augur \$195.50, down \$3.50. Con-tract 19.00 BST

Close ...... 84831g 484 (£263-2631g) Opening ... 84251g 4281g (£2531g-2641g M'n'g fix ... 8421.80 (£261.695) Aft'n'n fix \$484.00 (£263.109) .... 171.0-175.0 170.0-170.6 172.0-172.0 .... 176.0-176.6 172.0-175.0 175.8-176.6 (£370-374-1) (£370-2773) (£23614-26714) (£13614-1394) (£13614-1394) (£26614-270) (£2714-3014) (£63-64) (£63-64) (£63-64) (£31614-54734) (£362-36714) Saies: 4,386 (3,482) jots of 50 tonnas. Tate and Lyle delivery price for granulated basis augar was £212.00 (£215.00) a tonnas for export. PARIS—(FFr per tonne): May 1161-1165, Aug 1182-1184, Oct 1210-1212, Dec 1232-1245, March 1255-1275, May 1295-1310. Dec 1232-1240, Marchi 1225-1310. International Sugar Agreement—(US cents per pound fob and stowed Caribban ports). Prices for March 27: Deliy price 6.68 (7.08); 15-day average 7.51 Silver was fixed 15.9p an ounce higher for spot delivery in the London builtion merket yesterday at 387p. US cent equivalents of the fixing levels were: spot 622.9c, up 26.9c; three-month 622.9c, up 28.9c; sux-month 642.6c, up 27.65c; and 12-month 662.9c; up 29.05c. The metal opened at 3312-3332p (632-634c) and closed at 393-3932p (630-632c)

SOYABEAN MEAL 'stord'ys + or Business close - done

114,5 115,0 Sales: 180 (512) lots of 20 tonnes.

FREIGHT FUTURES The market was contained in a very narrow range due to a lack of participation in trading. After opening srightly higher levels tailed off following the announcement of a 0.5 point decline in the BFI. Thereafter further losses were registered, reports son Wolff.

) Close | High/Low | Prev. Dry Cargo 1025 855 925 920 935/975 780/680 1030/1281019/1032 973/855 858/860 928/925 920/925 925/930 925 925 830 926 830 991,5 Jan. Apr. July Oct. Jan. BFI. 780/630 920/850 910/940 991

### **Cameroon sets** an example in self-sufficiency

BY JOHN MADELY, RECENTLY IN CAMEROON

THE WEST AFRICAN country of Cameroon is one of a small number of African states to buck the trend of food shortages and rising imports and achieve food self-sufficiency. While most food self-sufficiency. While most of Africa is now less self-sufficient in food than 10 years ago, Cameroon has moved firmly the other way.

Its success lies in actually doing what all African countries are pledged to—giving priority to the agricultural sector and incentives to the farmer.

incentives to the farmer. In the 1970s Cameroon was estimated to be less than 70 per cent self-sufficient in food but the last 10 years have seen substantial increases in output, especially in basic foodstuffs. Output of major crops, such

as maize, yams and potatoes, has nearly doubled.

Pockets of hunger still exist among the population of 10m but recognition of the country's calls missing years seen recently. self-sufficiency was seen recently when the World Bank made a \$17.8m loan for agricultural research, which, it said, was expected to "help maintain Cameroon's self-sufficiency in feed."

While development efforts in Cameroon are helped by generally adequate rainfall, and

The extended time gap between the UK and the US means that for this week only, closing US commodity markets will not be available in time for inclusion in the first edition of the Financial Times. For the remainder of this week fort editions will this week first editions will carry this information a day late.

export earnings from oil, the underlying reasons for success are policy decisions which could be taken by any government. Under the country's Fifth Development Plan, from 1981 to 1985, around a quarter of the national budget was invested in agriculture and rural development—twice as high as the average for Africa as a whole. This level is expected to continue under the current development plan.

the Ministry of Agriculture means that farmers can be given incentives to produce and has allowed for some innovative work in bringing the benefits of agricultural research to farmers'

In this Cameroon has made good use of the technologies developed at the International Institute of Tropical Agricul-ture (IITA) based in Ihadan,

credit and improved storage facilities. Most of the country's food is grown on farms averaging 2 hectares in size.

prices-food is all traded on the market—the Government helps benefits from farmers to have access to new neighbouring

Special attention has been pad to regions where food output was low, to try to release ther potential. This regional policy has paid off, especially in the once neglected north-west of the country. The \$44m North West Rural Development Project, launched in 1981, has helped to achieve a near 50 per cent rice in food output in the The project is funded by

tiem to see the prospect of

hgher yields and incomes.

Cameroor's Ministry of Agriculture with help from aid agencies, including \$12m from the UN's International Fund for Agricultural Development (Rad) which specializes in helping small famous to grow more-food

With the use of "adaptive research," the project has been successful in adapting pure research to make it useful for

research to entil it useful for the farmer.

In co-operation with HTA, Cameroon's Institute of Agricultural Research has, for example, developed 15 different varieties of main. These new varieties are tested at 10 trial and demonstration centres, situated throughout the northwest region, to find the right seeds and combination of crops for each area; this abows for for each area; this alows for modern research to be idapted to local needs.

A KEN YER

See Aller

F-1803

The results go out as recom-mendations, through tained village extension staff to farmers in each area. We discovered that farmers are very ready to accept actice when they see the prospect of definite benefits," said Mr Jun Parkinson, the projects extension and training advise. Some 6.000 female maizi

increased their yields from 1.6 to 3 tonnes per hectare. They are also earning extra money by using improved storage techniques for their make and and potatoes. Bottlenecks in the north-west project have sometimes been caused by its own success.

Fertiliser, seeds and tools are not always available in the quantities demanded. All

fertiliser is imported.

Unlike food crops, export crops in Cameroon are purchased by government bodies at fixed rates which many farmers. believe are too low, especially for coffee and cocca.

Coffee farmers receive less than 500 CFA francs a kilo, under £100 a tonne, against a world coffee price of £1,500 a tonne. Despite the introduction A deliberate attempt has also of higher yielding lava coffee been made to help women plants, exports are stagnant at farmers, who grow the bulk of the country's food, with inputs, Cocoa output is likely to be the same in 1986-87 as it was six years ago, around 120,000 tonnes.

An ironic twist in Cameroon aericulture farmers in border areas have benefits from shortages in

#### **GRAINS**

After a nervous start old crop wheat railied on stop-loss buying and spaculative trading to penetrate contract highs. New crops found trade buying against early country hedge selling pressure and finished steady on continue sumer and shipper support, reports
T. G. Roddick.

BARLEY ciose — 

108.35-8.30. Sales: 421 lots of. 100 tonnes. Bertey: May 114.06-3.95, Sept 99.70. Nov 102.20-2.15, Jan and Mar untraded. Sales: 28 lots of 100 tonnes. PRCA — Locational ex-farm apot prices. Feed bertey: Eastern 112.30. Scottand 112.80. The UK monetary coefficient for the week beginning Mondey, April 6 (beard on HGCA Mondey, April 6 (beard on HGCA calculations using 4 days' exchange rates) is expected to remain unchanged.

rates) is expected to remain unchanged.

LONDOM GRAINS—Wheat: US derk northern apring No 1 15 per cent April/ May 98.25, June 95.50, July 96.75. US No 2 soft ted winter June 92.25, July 89.25. French 11½-12 per cent Merci 148.25. English feed fob April 122.00 peld east coast. April/June 122.00.124.00 buyer/sellers, Sept 108.00, Oct/ Dec 108.00, Jan/March 102.50 buyers. Maizz: US No 3 yellow/Franch transshipment east coast March 142.75. Berfey: English feed fob April 156.00 buyer English/ Scottish, 116.00-117.00 buyer English/ Scottish, 116.00-117.00 buyer English/ Scottish, 116.00-117.00 Sept 102.00 sellers, Oct/Dec 106.00, Jen/March 108.00 buyer.

Crude oil prices weskened slightly in an extremely thin market. May WTI opened 9c down on Nymex and traded 8c down at 1.30 pm EST. The petroleum products markets were very vist. Prompt gas/oil was stable to slightly firmer in quiet trade. Naphtha RUBBER

PHYSICALS—The market opened un-changed, attracted Ritie interest throughout the day and cleared neglected, reports Lawis and Peat. Closin, prices (buyers): Spo. 60.00p (sems); May 61.50p (60.75); Juna 61.00p (60.25p), Kuals Lumpur fob prices (Maleysian cents a kilo): RSS No. 1 229.0 (228.5). SMR 20 193.5 (asms). (sums). 1925 FUTURES—Index 592 Mey 588-600. June 685-800, July/Sept 585-600. Selest; Nil.

technologies and improved farm-ing practices and sells them tive to produce and export food. fertiliser at half price, enabling unofficially, over their borders. and fuel/oil were quiet. Gealine firmed on good buying interest—Patroleum Argus, London. Latest |- or --

CRUDE OIL-FOS (5 per berrei)-April GAS OIL FUTURES

Turnover: 1,139 (2,927) lots of

HEAVY FUEL OIL US S 96,50

102.75 96.50 — Turnover: 1 (27) lots of 100 tonnes:

TEA

There were 40,228 peckages on offer in the London tas auction, including 7,190 packages in the offshore section, reports the Tea Brokers' Association. Damand was more limited and vary selective. Brighter Assem CTCs continued to be well supported at fully firm rates but the majority declined by up to 10p per kilo and there were heavy withdrawals amonget the pleiner varieties. Bengladesh tass stracted fair competition sithough prices full by 3p-8p. Better liquoring and medium East Africans met fair support but opened 6p-10p below the previous week's rates and tended weaker as the sale progressed. Central Africans followed a similar trend. There was leas demand for Caylons and prices were 8p-10p lower, except for a faw quelity uses. Offshore beas met fair inquiry at levels mostly 6p-8p below last week. Quotations: quality unquoted (unquoted): medium 118p a kg (127p); low medium 78p a kg (85p).

هكنامن الأجل

BEI WAXE S

### CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

MERCON

TO THE REAL PROPERTY AND ADDRESS OF THE PERTY ADDRE

the second to th

the second

80 female mi-

ಷಾವರ ಕಮ್ಮ ಚಿತ್ರ

wied strain in

Treating in

W mark &

The same and

E that minute

s to the samples

10:20 mg

200 546 EN

400 Miles 3 19

Serviced L

and musy from

ಜನ ಚಾ. ಅಡ್ಡು . .

व्यक्तिक राज्यका है 'A france i e

in in a comment to the training to the training of the training to the training of training of the training of training of

hal es il su l

and to Carrie that are 2005 1: 10 T Fam 2

🚾 بنداریو

- god strom i 🕮 🐴 Fig. Dis May

4 C41.4 FE

Service of the servic

FUTURES

EL 0:

가 >= 기관기 ಂದ ರಾಜ್ಯಕ್ಕ ಕನ್ನಡ PERSONAL AND THE

## Dollar continues to fall

ITHE DOLLAR touched a post-war low against the yen in currency intervention by the Bank of Japan. Its fall to a low of Y144.70 happened in Tokyo even though the Rank of Japan gave subport esti-

pened in Tokyo even though the Bank of Japan gave support estimated around \$2bn.

However this was not enough to outweigh the predominantly bearish sentiment surrounding the US sah senument surrounding the US unit. The weaker trend was exacerbated by an absence of intervention by other signatories of the G-6 agreement. Speculators interpreted this as a thinly veiled external to bring further absence. interpreted this as a thinly veiled attempt to bring further pressure on the Japanese to open their domestic markets to foreign com-

It was also seen as another more subtle means of achieving a reduction in trade imbalances by reduction in trade imbalances by placing a further squeeze on Japanese profit margins. The G-8 agreement had suggested that the US administration should refrain from "talking the dollar down" and yesterday's absence of the US Federal Reserve or any European central banks was seen as another means of achieving the same thing while also registering dissatisfaction at the lack of progress in opening up Japanese markets to foreign imports.

foreign imports.

Comments by Japanese officials claiming that the dollar would improve and that other central banks would lend support seemed to fail on deaf ears.

The dollar closed at Y146.35 down from Y147.65 on Friday but up from a trading low of Y145.50. Against the D-Mark it slipped to DM 1.8045 from DM 1.8235 and SFr

		B1	3
z	FF.	KEW	YORK

Z HT RE	H IUKK	_
Mar 30	Latest	Previous Close
E Spot	1.6075-1.6085 0.48-0.45 pm 1.28-1.23 pm 4.10-4.00 pm	1.6080-1.6090 0.46-0.45 pm 1.31-1.28 pm 4.25-4.15 pm
Forward pren U.S. dollar,	niums and disco	ants apply to the

STERLING INDEX

		Mar. 30	Previous
8.30	ATR	71.7	72.1
9.00	2m	72.7	72.0
10.00	2m	71.7	72.0
Noon	am	716	72.0
1.00	************	72.7	71.9
2.00	PM	73.7	72.0
3.00	<b>Pril</b>	72.7	71.9
4.00	Qth	71.7	71.8
4.00	P41	71.6	71.9

**CURRENCY RATES** 

Mar. 30	rate %	Orawing Rights	Correscy Unit
Sterling	==	N/A	0.713501
U.S. Dollar	5.5	1.2957	1.14874
	7.54		1.49680
Austrian Sch	. •	WA	14.5798
Belgian Franc .	8	"	42.9427
Danish Krone _	7	•	7.84013
Deutsche Mark	. 3 <i>0</i> i	•	2.07347
Neth Guilder	412		2,34090
French Franc	92	•	6.90391
ـــــ درنا معالم)	12		1477.85
Japanese Yen .	212	•	168.175
Rorway Krone .	8		7.81773 -
Spanish Peseta.	<u>ا</u> ـــ ا		145,890
<ul> <li>Sundicirkrona.</li> </ul>	. 712		7.26174
Seiss Franc	3.5.		1.72942
Greek Drack	20%		152,483
Prist Plant			0.776698

\*CS/SOR rate for Mar. 27; 1.66970

CURRENCY MOVEMENTS					
March 30	Bank of England index	Morgan Guaranty Changes %			
Sterling U.S. Dollar Canadian Dollar Canadian Dollar Assirtan Schilling Belgian Frant Danish Krose Deutsche Mark Swiss Frant Gelider French Frant Lira	71.6 101.3 79.2 138.5 100.4 93.2 147.5 172.3 135.1 72.0 48.2 217.2	WA			

Morgan Guaranty changes: average 1980-1982-100, Bank of England Index (Base Average

OTHER CURRENCIES  Mar. 30	1975=1007.							
Argentina 2.4720-2.4835 1.5350-1.5410 Auguralia 2.2900-2.2930 1.A220-1.4230 8.228 7.1300-7.1425 3.44870-34.8810 21.4140-21.5240 7.1300-7.1425 3.7360-12.5715 4.4345-4.4325 4.4325 4.4325 4.4325 4.4325 4.4325 4.4325 4.4325 4.4325 4.4325 4.2325 3.7300-12.5715 3.7370-12.5715 3.7370-12.7390 7.7	OTHER CURRENCIES							
Australia 22900-22930 1A220-1A230 Brazel 34.4870-34.6810 21.4140-21.5240 Firshand 71300-71425 Breece 212.00-215.65 tons Kong 116.00 Brea (Skit) 1357-55-1369-85 Brazel 0.44000-0.44100 027330-027350 Uncentboarg 60.20-60.30 37.35-37.45 Brazio 1782-50-1801-35 1307-30-1117-50 N Zesland 2845-28500 1.7685 Saudi 46 60.375-6.0425 3.7500-3.7510	Mar. 30	£ ,	5					
	Australia Brazel Finland 3reece toog Kong fram Bores (Sth) Itment Lucemboarg licitysto Mrato N Zealand	2.2909-2.2930 34.4870-34.6810 7.1300-7.1425 212.00-215.61 116.00* 1357-56-1369.85 0.44000-0.40100 60.20-60.30 4.0415-4.8075 1762.50-1801.35 2.8425-2.8500 6.0377-6.0425	1.4220-1.4220 21.4140-21.5240 4.4345-4.4345 131.45-133.45 7.7970-7.7990 71.80* 944.40-851.20 0.27330-0.27350 37.35-37.45 2.5090-2.5310 1107.50-117.50 1.7650-1.7685					

S. Al. (Fa) 4505 4.6350 2.7970-2.8775
Talwan 5.9125-5.9180 3.6725-3.6735

MONEY MARKETS

Further rise INTEREST RATES continued to note circulation of £360m and rise on the London money market bank balances above target by

Japan. rolled over by the Bank of Eng.
Britain's possible involvement land was 9% per cent. (Luachime) Britain's possible involvement land was 3% per cent.

because of the dispute over foreign competition in the 3.75 per cent from 3.55 per cent as 3.75 per cent from 3.55 per cent as 1.75 per cent from 3.55 per cent as 1.75 per cent money rose to 1.75 per cent from 3.55 per cent as 1.75 per cent from 3.55 per cent money rose to 1.75 per cent from 3.55 per cent f s liquidity drained from the banking system on pension payments
by insurance companies. This was
expected to draw down about DM
11bn, but was partly offset by up to
DM 6bn flowing into the market
from Treasury bills bought from
the Bundesbank on Thursday.
Liquidity remained in reasonably good supply for the month

opinion polls also helped push three-month interbank up to 9½-9½ per cent from 9½-9½ per cent.

The Bank of England initially forecast a money market shortage of £100m, but revised this to a flat position at noon and back to a shortage of £100m in the afternoon.

Liquidity remained in reason ably good supply for the month end however, with call money still below the rate of 3.80 per cent on iast week's securities repurchase agreement with the central bank. The Bundesbank will not hold a

UK clearing bank base lending rate 10 per cent since March 18-19

Total help of £329m was pro-week, as part of the pension pay-ments are deposited back with the vided. There was no intervention by the authorities before lunch, and in the afternoon £129m bills were bought outright in band I at were bought outright in band I at a \$2-day\$ repurchase after though a \$2-day\$ repurchase agreement today, to help absorb a greement today. Treasury Bills (sed); or mostly 92 per cau; three today and produce a yield of the produce a yield of the produce and produce a yield of the produce and the produce a yield of the produce a yield of the produce and yield of the produce a yield of the produce and yield of the produ

French franc at FFr 5.01 from FFr 6.0675. On Bank of England figures, the dollar's exchange rate index fell to 101.3 from 102.1.

STERLING—Trading rasge against the dollar in 1986-87 is 1.6175 to 12760. February average 1.5274. Exchange rate index 71.6 against 71.7 at the opening and 71.9 en Friday night. The six months ago figure was 69.0.

Sterling finished slightly weaker overall but retained a firm undertone. It was stronger against

weaker overall out retained a time undertone. It was stronger against the dollar's weak-the extent of the dollar's weak-the extent of the dollar's weakness elsewhere. Consequently the pound lost ground against the D-Mark to DM 29050 from DM 29225 Mark to DM 23050 from DM 23220 and Y235.75 compared with 1 Y236.75. It was also weaker against the Swiss franc at SFr 24250 from SFr 24350 and FFr 9.66 against FFr 9.7250. In dollar

Despite all the volatility in Tokyo, trading was confined to a relatively narrow range in Frankfurt. The dollar showed little change from its weaker opening but obviously registered a con-siderable decline from Fridays close. It was fixed at DM 1.8063 from DM 1.8231 and significantly there was no intervention by the Bundesbank. This was seen as a thinly veiled attempt to put press-ure on the Japanese authorities.

JAPANESE YEN—Trading range against the dollar in 1988-87 is 262.70 to February average 153.36. Exchange rate index 217.2 against 216.7 six months ago.

Heavy intervention by the Bank of Japan failed to prevent the dol-lar touching a record trading low of Y144.70 in Tokyo. It recovered to close at Y146.20 but this was still well down from Friday's New York close of Y147.20 and Y149.0 D-MARK—Trading range against the dellar in 1986-87 is 1.8224. Exchange rate index 147.5 against 148.9 six months ago.

S1.6105 from Tokyo. Dealers suggested that the authorities had bought at least \$2bn in an attempt to hold the US unit but the absence of intervention by other central banks tended to negate the effect Japanese.

EMS FURN.

EMS EUROPEAN CURRENCY UNIT PATES

	Ecu central rates	Currency amounts against Ecu March 30	% change from centrat rate	% change adjusted for divergence	Divergence limit %	
elgian Franc anish Krone erman D-Mark rench Franc utch Guilder rish Punt	42,4582 7,85212 2,05853 6,90403 2,31943 0,768411 1483.58	42,9427 7,84013 2,07347 6,90391 2,34090 0,776698 1477,85	+1.14 -0.15 +0.73 -0.01 +0.93 +1.08 -0.39	+0.83 -0.46 +0.42 -0.32 +0.62 +0.77 -0.39	2 1.5344 ± 1.6404 ± 1.0981 ± 1.3674 ± 1.5012 = 1.6684 ± 4.0752	
langes are for Ecu, therefore positive chance decrees a week conserve						

POUND S	SPOT-FORWARD	AGAINST	THE	POLIND
		AUAINSI	INE	LOGIAD

Mar. 29	Day's spread	Clase	One month	% pa	Three montes	% pa
US	1.6080-1.6130		0.47-0.44 c pm	3.39	1.30-1.25 au	3.17
Carada	2.0978-2.1062	2.1040-2.1050	0.54-0.44 c pm	279	150-1.37 pm	2.73
Neth Lands		3.274-3.284			35-35 pm	4.27
Belgium	60.20-60.30	60.20-60.30			39-33 pm	2.39
Dermark	10.9512-11.03				14-2 ds	-059
kreised		1.0885-1.0895	0.25-0.40 p dis		0.60-0.92 dis	-2.79
W. Germany .	2.90-2.91		14-12 pf part		41e-4 pm	5.68
Portugal	223.97-225.20		13-149 c ds		256-377 dls	-564
Spain	204.18-205.50	204,40-204,70			317-358 dis	-6.60
Italy					lone-3 lire dis	-0.19
Horway					121-134 ds	-4.68
France	9.651-9.6812				44-32 00	160
Sweden	10.15-10.19				24-32 ds	-1.16
Japan	2354-2364				92-94 pm	5.73
Austria			103-91 <sub>8</sub> gro pm		261-243 pm	5.01
Switzerland _			112-114 6 922		35 <sub>8</sub> -31 <sub>8</sub> pm	5.77
				4		

Belgium ratte is for convertible francs. Financial franc 60.25-60.35. Six-munik forward dollar 2.54-2.29 c pm 12-munith 4.25-4.15 c pm.

DOLLAR SP	OT-FORWARD	AGAINST	THE DOLLAR
		<del></del> _	<del></del>

Mar, 30	Day's spread	Close	One month	<b>%</b> g	Three months	% p.r.
UK†	1.6080-1.6130	16100-16110	0.47-0.44c pm	3.39	1,30-1,250%	3.17
irelandf	1.4756-1.4810	L4765-L4775	0.93-0.85c pm	7.22	242-225 pm	6.32
Coads	1.3025-1.3075	1.3065-1.3075	0.05-0.08c dis	-0.60	0.11-0.14 de	-0.38
Neiberlands .	2,0330-2,0430	2.0370-2.0380	0.20-0.17c pm	1.09	0.62-0.57pm	1.17
Belgium	37.29-37.45	37,35-37.45	21 <sub>2</sub> -3 des	-5.49	6-712 65	-4,49
Denmark	6.79-6.83\	6.82-6.82%	1.50-2.20are dis	-3.26	5.70-6.40 as	-3.55
W. Gernany .	1.7940-1.8065	1,8040-1,8050	0.42-0.39pf pm	2.69	2.04-0.99 db	-2.25
Portugal	1391 <sub>2-</sub> 140	1372-140	80-130c dis	-9.03		-8.74
Spain	126.77-127.21	126.90-127.06	120-130c dis			-9.76
ftaly	12827-1288	12854-12864	33 <sub>2-</sub> 4jire dis	-3.50	94-11½ds	-3.30
Norway	6.784-6.812	6.80-6.80%	4.40-4.90pre dis	-8.29	12.90-13.40dis	-7.73
France	5.992-6.014	6.00%-6.01%	0.73-0.83c ds	-1.56	230-255 dis	-161
Sweden	6.2812-6.3214	631-6314	2.55-2.85are dis.	-513	6.70-7.10ds	-4.37
السنسية الموادل	145-50-146,70	145.30-146.40	0.32-0.28y pm	246	0.96-0.91 pm	2.56
Austria	12,64-12.71		2.70-2.20gro per	.232	6.50-5.50 pm	1.89
Switzerland	1.4945-1.5090	1.5055-1.5065	0.43-0.38c pm	323	1.04-0.99 pm	2.70

t UK and fretand are quoted in US currency. Forward previous and d

•	_	доват	-				1000		-	_	.,	•
ţ	JR	O-C	邶	REN	CY	IN	ER	EST	' RA	ŢΕ	S	

Mar. 30	Short	7 Days'	One	Three	Sex	One
	term	notice	Month	Mostis	Months	Year
Sterling	104-104 513-64 63-64 53-53 55-70 44-44 73-8 9-10 74-74 74-8 5-54 10-10 4-94	10-10% 6%-6% 6%-6% 5%-5% 24-2% 3%-4 8-8% 94-10 7-64-74 4%-4% 10-10% NA	9%-104 64-64 54-64 54-54 34-34 38-34 88% 94-10 74-72 74-72 44-44 107-134 36-34	94.9% 67.6% 65.64 36.34 36.34 36.82 95.10% 74.7% 44.10% 34.34 107.25 34.34	95.94 62.62 52.53 32.4 63.82 97.10 74.75 443 104.105 32.34	9%-9% 6%-6% 6%-7 5%-5% 3%-3% 4-4% 8%-8% 10%-10% 7%-7% 4-4% 10%-10% 3%-3%

term Eurodollars: Two years 6 $\S$ -7 $\S$  per cent; three years 74-72 per cent; four years  $7\S$ -2-mi; five years  $7\S$ - $7\S$ -9-mi cent sominal. Short-term rates are call for US Dollars and

Tabaltese Lent Offices' and only nonce:												
EXCHANGE CROSS RATES												
Mar. 30	£	5	DM	YEN	F ft.	S Fr.	H FL	Lina	C \$	8 Fr.		
. £	D.627	7 7	2905 1,806	295.8 146.4	9,680	2.425 1.5%	3.283 2.038	2071. 1296.	2.105 1.307	60.25 37.40		
DM YEN	0.344 4.242	0.554 6.831	1 1232	81.15 1000	3,332 43.06	0.835 10,29	1130 13.92	712.9 8785.	0.724 8.927	20.74 255.6		
F Fr. S Fr.	1.033 0.412	1.664 0.664	3.001 1.198	263.5 97.22	10 3,992	2.505 1	3.391 1.354	2139. 854.0	2.174 0.868	62.24 24.85		
H FL	0.305 0.483	0.491 0.778	0.885 1.403	71.82 113.8	2.949 4.674	0.7 <del>5</del> 9 1.171	1. 1.585	630.9 1000.	0.643 1.036	18.35 29.09		
	0.475	0.765	1 380	1120	4,600	1.152	1560	9841	l L	28.63		

C 5 0.475 11.765 1.389 11.20 4.000 11.52 1.380 1841 1.389 100. Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

IMM-STERLING Se per &

FT LONDON INTERBANK FIXING (CLOO) a.m. Mar. 30) 3 months U.S. dollars bid 6 2 | offer 6 % The fixing rates are the arithmetic means, rounded to the searest one-sixteenth, of the bid a coffered rates for \$1.0m quoted by the market to five reference banks at 11.00 a.m. each working the The banks are National Westminster Bank, Bank of Tokyn, Deutsche Bank, Banque Nationale of Parks and Morgan Guaranty Trust. yesterday, as dealers grew nervous about the implications of a trade war between the US and

Treasury Bills and Bonds \$24 5.57 5.86 5.99 6.16 6.60 Tirrer year .... Foor year .... Five year ..... Seven year .... 71<sub>2</sub> 72,71<sub>4</sub> 61 61 Mar. 30 3.85-4.00 713-713 313-313 - 52-52 - 4.03125 - 101-105 - 72-72 131-135 12-125 3.85-3.95 712-72 34-34 54-54 196375 104-104 7.2-7.2 134-144 3,70,3,80 75-74 2-14 57-59 3,84375 105-1116 5,25 133-144 385-4.00 711-711 컜 Three Months Six Months Month

LONDON MONEY RATES securities repurchase tender this week, because there is no expiring agreement. Conditions are expected to remain comfortable, Ome Year 911-91 91-933 94 912-952 92-912 95-912 10-6 101<del>- 91</del>2 101-93 91-93 94 10 expected to remain comfortable, and may even improve later in the week, as part of the pension payments are deposited back with the banks.

In Tokyo the Bank of Japan is to 912 9% 94 94 101 650-645

Billis maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained take-up of Treasury bills drained take-up of Treasury bills drained fisher of take-up of Treasury bills drained take-up of Treasury bills dr

FINANCIAL FUTURES

### Very nervous trading

the London International Finan- against losses on the weakness of futures Exchange yesterday. The dollar, which was drag-sand possibly also British Government stock, set the tone.

Dealers and UK investments took, set the tone.

Dealers as a retalizatory more

investment houses, not to sell the dollar forward, because of the Nervousness in financial marharm caused to the economy by a kets, resulting in heavy falls on strong yea, had created a situation major world stock markets, led to where it was feared Japanese record volume of 2,395 contracts investors would be forced to cut on FT-SE 100 index futures. The their losses by selling boads, previous record was 1,868 on Many of the houses were believed February 19.

LIFFE US TREASURY BOND FUTURES OFTIONS FT BERROW FUTURES:
-Last PatsSept Jane
5.265 0.05
3.579 0.18
2.45 0.40
1.48 1.22
1.94 2.36
0.39 4.16
0.21 6.09
0.10 8.05
0, cast 0 Pats 8
0, cast 0 Pats 200
0, cas

Surfice Apr. May June Sept. Apr. 130 - 31.00 31.00 - 31.00 31.00 - 13.10 21.00 21.00 21.00 21.00 20.00 ...

1.40 21.00 21.00 21.00 21.00 21.00 0.00 1.45 16.00 16.00 16.00 16.00 0.00 15.0 10.00 11.00 

| Cents per EL]
| Calb—Last | Sept. Apr. 20.50 | 20.70 | 20.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 0.05 0.05 0.05 0.15 0.30 0.90 LONDON **CHICAGO** 

29-YEAR 12% HOTIONAL GILT E50,600 32m/s of 100% High 122-01 123-12 121-26 121-31 — — 122-01 — — volume 33,074 (31,196) 10% HOTIONAL SHORT GILT E100,000 64th of 100%

Close High March --- (0) Estimated Volume (1)

THREE-MONTH STERLING 2509,080 palets of 100% Close High Low P 90.65 90.70 90.63 9 90.90 90.95 90.87 9 90.95 90.98 90.94 9 90.67 90.67 90.61 9 90.67 90.67 90.64 9 sated Volume 6,814, (6,123) oss day's open int. 25,127, (25,313) Low Prev. 90.63 90.75 90.87 90.98 90.94 91.00 90.81 90.92 90.64 90.74

FT-SE 100 (NDEX C25 per full index point Close High Low Prev. 200.00 204.60 199.00 204.95 203.70 209.50 203.50 200.50 208.20 204.55 208.20 214.55 day's open int. 6,022 66,056)

199.27 93.27 93.23 93.23 Sept. 92.80 — 9 Sept. 92.80 — 9 Dec. 92.59 — 9 Estimated volume 8,251, (5,006) Previous day's open lot. 24,445, (23,777)

Ciose High Low Prev. June 97-28 98-19 97-25 100-10 Sept. 96-29 99-08 Estimated Volume 7,181, (3,905) Previous day's open lat. 3,374, (3,184) **CURRENCY FUTURES** POUND-S (FOREIGN EXCHANGE) Spot 1-mile, 3-mile, 6-mile, 12-mile, 1.6105 1.6060 1.5978 1.5874 1.5685

Latest High Low Prev 1,6000 1,6010 1,5995 1,5935 1,5715 1,5920 1,5905 1,5630 1,5840 0 1,5750 1,5760 1,5760 0 1,5670 LIFFE-STERLING C25,000 5 per £

917-912 912-918 942 942 645-640

with the opening of Chicago, and

the sharp fall in US Treasury

bond futures. This was seen as a general reaction to the trade

situation, and the fact that gilts have been discounting continuing

المكالمنالح

Dealers said that the warning by ments as a retaliatory move the Bank of Japan, to Japanese because of the growing trade frictions thouses, not to sell the dollar forward because of the countries.

good news. Recent UK opinion polls have added to market nerves, by showing a surge in popularity of the Alliance. | Carlo | Carl

Prits—Last
May June
— 0.80
0.30 0.45
0.60 0.80
0.35 0.45
0.0 1.05
90 2.75
10 5.90

Calls - Lex.

Jame Sept. Dec.
0.35 0.49 0.50
0.19 0.34 0.41
0.10 0.22 0.29
0.04 0.13 0.19
0.07 0.12
0.00 0.04 -0.00 0.02 -6ay's open int: Calls 295,
d volume. Calls 75, Pets 6

Latest High 0.6877 0.6883 0.6923 0.6925 0.6966 0.6966 0.7017 0.7017 Low Prev. 0.5865 0.5822 0.6907 0.6865 0.6954 0.6909 0.7000 0.6954 Pres. 99-22 98-22 97-23 96-26 95-30 95-03 94-09 93-17 0.5571 0.5606 92-07 91-21 U.S. TREASURY BILLS (IMM) \$2m points of 198% High 94-28 94-32 94-33 94-25 94-27 94-27 94-27 94-22

93.26 93.26 93.26 93.16 93.00 92.76 92.57 92.36 Prev. 93.36 93.40 93.38 93.29 93.14 92.94 92.73 SWISS FRANC (IMM) SFr 125,000 \$ per SFr

FINANCIAL TIMES CONFERENCES THE REGULATORY **ISSUES FACING** 

**FOREIGN BANKS IN LONDON** 

27 April, 1987 Barber-Surgeons' Hall, London

The Banking Bill and the proposals of the Bank of England on internal control and accounting systems will have major implications for foreign banks with branches in Britain. The Financial Times and Deloitte Haskins + Sells are joining forces to arrange a specialist Seminar on this significant subject. The meeting will be chaired by Mr Geoffrey W Taylor, Chairman of Daiwa Europe Finance plc and the other speakers are:

Mr Richard Farrant Senior Manager, Banking Supervision Bank of England

**Mr Michael Gabitass** Senior Vice President

Swiss Bank Corporation Mr Paul | Maloy Senior Vice President

Manufacturers Hanover Trust Company Mr Shaun Pitt Partner, Banking Industry Group

Deloitte Haskins + Sells Mr Kevin Lee Manager, Treasury and Trading Administration

Baring Brothers & Co Limited Mr John High

Partner, Computer Services Division Deloitte Haskins + Sells

A FINANCIAL TIMES SEMINAR in association with **Deloitte Haskins-Sells** THE REGULATORY ISSUES FACING FOREIGN BANKS IN LONDON To: Financial Times Conference Organization Minster House, Arthur Street, London EC4R 9AX Minster House, Arthur Street, Lorense zwen vow. Tek 01-621 1355 Tix: 27347 FTCONF G Telefax: 01-623 0014

**Position** Company Address. Type of Business:

**F**WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on March 30 1987. In some cases rate is nominal, Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied, Abbreviations: (A) approximate rate, no direct quointion available; (F) free rate; (P) based on U.S. dollar parities and going starling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) baying rate; (Bix) bankers' rate; (cm) commercial rate; (ch) convertible rate; (ch) exchange certificate rate; (uc) non commercial rate; (nom) nominal; (a) official rate; (sg) selflog rate; (c) controlled rate.

I	COUNTRY	CURRENCY	£ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING
Į	Afghanistae	Afghani	99,20	Ghana	Cedi	251.55	Panama	Balboa	1.6105
Į	Alberia	Lek	10.0749	Gibraltar	Gibraltar £	1.0	Papus New Guinea	Kina	1.4682
.1	Algeria	Dinar	7.45	Greece	. Drachma	213.83	Paraguay	Guernoi	<b>[386.52</b>
j	Andona	(French Franc  Scanish Peceta	9.68 204.55	Greenland	Danish Krone	10.9875			f1111-30
ł	Angola	(арамя Рејеца Киявия	204.55 46.387	Grenada	E. Caribbean \$	4.35	i	lati	(exc(o)23.46
1	Actigue	E. Caribbean S	435	Guadaloupe	Local Franc	9.68	Pers	100	(F) 32.79 (Fn) 29.34
ł	Argentina	Austral	2.4778		. U.S. \$	1.6105 (1.6105	Philippines	Philippine Peso	32.60
Į	Arutia	Florin	2,8989	Guetemak	Quetzal	(F) 4.431.7		∫£ Sterling	32.8U
ł	Australia	Austratiae \$	2.2915	Guinea	Franc	547.40	Pitcaim Islands	New Zealand S	2.8463
ľ	Austria	Schilling	20.40	Guinea-Blagau	Peso	274.47	Polest	Zioty	387.70
1	Azores	Portuguese Escação	224. <b>4</b> 5	G07874	Guyanese \$	16,1270	Portugal	Escurio	224.45
ſ	Bahamas	Bahama S	2.6105	Halti	Gourde		Puerto Rico	U.S. Ş	1.6105
Į	Behrain	Distar	0.6075	Hoadwas	Lemeira	8.0525 3.2214	Datar	Catari Rusi	5.8670
l	Balgaric !stands	Spanish Peseta	204.55	Hong Kong		12.5658	Reunion Isle de la	French Franc	9.68
I	Bangladesk	Taka	49.00	Hungary	Forint	76_6327			f(cm) 6.33
ì	Barbados	Barbades \$	3.2392	Iceland	Icelandic Krona	62.66	Romania	Les	(N/C) 15.58
ı	Belgium	Belgien Frant	∫(cm) 60,25	logs	Indian Rupse	20.50	Reads	Rwanda Franc	129.38
۱	-	<b>-</b>	l(m) 60.30	Indonesia	Replan	2657.235	St_Christopher	E. Carlbbean S	4.35
ł	Belize	B \$ C.F.A. Franc	3.2210 484.0	1/20	Riel	116.00	St. Helena	St. Helena £	70
ı	Bermeda	Bermadian S	464.0 3.6105	(r)49	Iraqi Digar	0.4997	St. Lucia	E. Caribbean \$	4.35
i	Shytem	Northran	20.50	Irish Republic	Puot.	1.0890	St. Pierre	Local Franc E. Caribbean S	9.68
ł	Bofivia	Boliviano	(a)3.12 (16)	Israel	Shekel Lira	2.5925	Samos American	U.S. \$	4.35 1.6105
ı	Botswane	Pula	2,6870	Italy	C.F.A. Franc	2071_0 484.0	San Marino	Italian Lina	2071.0
ł	Brazil	Cruzado	34.5855				São Tomé & Principe	Dobra	57.06
ı	British Virgin Islands	U.S. \$	1,6105	Jamaica	Jamaican Dollar	9.0085	Saudi Arabta	Saudi Roal	6.04
ì	Brunei	Brunei \$	3.44	Japan	Yes Jordanian Dipar	236.75 0.5405	Senegal	C.F.A. Franc	484.0
Ī	Bolgania	Lev C.F.A. Franc	1.3259 484.0	حـــــــ		U.54U3	Seychelles	5. Rupee	8.%
١	Rooms.	Kyat	10.2812	Kampuchea	Riel	N/A	Sierra Leone	Legge Singapore S	(e) 60.00 3.44
l	Survinci	Berundi Franc	196.585	Kenya	Kenya Shifting	25.63	Singapore	Soloman (s. S	3.1844 3.1844
ſ				Kirmati	Australian \$	2,2915	Somali Republic	Somali Shilling	177,155
ı	Cameroon	C.F.A. Franc	484.D0	Korea (South)	₩on Won	1,5139 1363.70	South Africa	Rand	((Cm)3.2433
I	Canada	Canadian \$	2.1045	Kuwait	Kowaiti Dinar	0.440 <del>5</del>	]		(Fa) 4,5700
ı	Carrery Islands Cape Vertie Islands	Spanish Peseta Cape V. Escudo	204.55 143.77	L			Spala	Peseta	204.55
ı	Cayman Islands	Cayman Isles \$	1 344R	1205	New Kip	56.3675	Spanish ports in		
ľ	Cent. Afr. Republic	C.F.A. Franc	484.0	Letanon	Lebanese & Malusi	177,51 3,2433	North Africa	Peseta S.L. Rupee	204.55 46.25
ı	Clead	C.F.A. Franc	484.0	Liberia	Liberten S	3.2433 1.6105	Sodan Republic	Sudan £	4.0263
ŀ	Chite	Children Peso	337.40	1,093	Libyan Dinar	0.4851	Surinam	S. Guilder	2.8747
ı	China	Rendiabl Yugo	5.9706	Liechtenstein	Swiss Franc	2.4250	Swazilend	Lilangeni	3.2433
١	Colombia	Col. Peso C.F.A. Franc	370.00 484.0	Lucembourg	Luxembourg Franc	60.25	Sweden	Swedish Krona	10.1675
ı	Congo (Brazzaville)	C.F.A. Franc	484.0	Macto	Pataca	12,9347	Switzerland	Swiss Franc	2.4250
ŀ	Copta Rica	Colon	96,809	Madelra	Portuguese Escudo	224.45	Syria	Syrian £	(a) 3.9250
ı	Cohe	Cuban Pesa	1.2820	Malagasy Republic	M.G. Franc	1064.65	Tanzania	New Talwan \$ Tan, Shilling	55.15 91.00
ı	Cyp=145	Cyprus £	0.7670	Malawi	Kwacha	3.6290	Thailand	Baht	41.25
	A		(com) 8.20	Malaysia	Ringgit	4.0445	Topo Reguliic	C.F.A. Franc	484.0
l	Czechoslovakia	Korsea	(nc 14.29 (17 13.91	Majdive Islands	Ruflyra C.F.A. Franc	11.2735 484.00	Tenga (stands	Palanga	2.2915
ľ				Maita	Maltete E	464.UD 0.5500	Trinktad & Tobago	Tripland & Tab. 5	5.7978
	Denmark Dibbesti Republic of	Danish Kroner	10.9875	Martinique	Local Franc	9.68	Tunisia	Tunisian Distar	1.3274 (59)
	Douglaysa """"  Douglaysa """  Douglaysa """  Douglaysa """	Dilbouti Franc E. Caribbean S	283.0 4.35	Mauritania	Organiya	120.43	Turkey	Turkish Lira U.S. S	1251_30 1.6105
ı	Dominican Republic	Dominicae Peso	5.1683	Maurithes	Mauritian Rupee	20.55	Tuvale	Australian S	2.2915
				Mexico	Mexicas Pess	((F) 1791.73	Ugande	Uganda Shilling	2300.0
ĺ	Ecuador		(6) 235.60	Miguelon	Local Franc	(ල 1777.19 9.68	United States	u,S. \$	L6105
ŀ			(F) 233.36 ( (6) 1.1274	Modeco	French Franc	7.00 9.68	Uruguay	Condinate Seep	321.37
İ	E97pt	Egyptian £	(ii) 2.12	Monsofia	Tuerik	5.4040	United Arab Emirates . USSR	U.A.E. Dirham Rouble	5.9153
	El Sahrador	Colon	8.8540	Montserrat	E. Caribbean \$	4.35	-		1.0341
	Equatorial Guinea	C.F.A. Franc	484.0 -	Morecco	Diriges	13.20 (99)	V21200	Vahu	174.55
ı	Ethlopia	Ethiopian Birr	3.325	Mozambique	Metical	(A) 325.22	Vanicas	Igalian Lira	2071.0
ĺ	Falkland Islands	Falking lides £	10	Namibla	S.A. Rand	3.2433	Venezuela	Bolhar	(4) £93
	Farce Islands	Dagish Kroper	10.9875	Nauru Islands	Australiae S	2.2915	**************************************	DÚM AST.	(5) 12.08 (6) 36.90
	Fiji Islands	Fig \$	1.7533	Nepal	Nepalese Rupee	35.259	Vietnaro	Down	(e) 128.80
	Firstand	Marida	7.1363	Netherlands	Guilder	3.2825	Virgin Islands U.S	U,5. S	1.6105
	France	Franç	9.68	Netherland Antilles	Antillian Guilder	2.8989	Western Samoa	Tala	(A) 3.84
	French C'ty in Africa	C.F.A. Franc	484.0	New Zealand	N.Z. S	2.8463			
	French Guiana French Pacific Islands .	Local Franc C.F.P. Franc	9.68	Nicaragua	Cordoba C.F.A. Franc	3445.33	Yemen (North)	Ryal	(A) 16.50 (cg)
			178.0	Nigeria	G.F.A. Franc Naira	484.0 (a) 6.41200(76)	Yemen (South)	S. Yemen Dinne	0.5532
	Gabon	G.F.A. Franc	484,0	Norway	Norwegias Krone	10.9550	Yugasiaria	New Y. Dinar	882.87
	Gembia	Delasi	11.00	Ornasi Sultanana of	Riel Deseri	0.6200	Zaire Republic	Zaire	149.9875
	Germany (East)	Ostmark	2,9050			1	Zarobia	Kwada	14.60
ľ	Germany (West)	Deutsche Mark	2.9050	Pakistan	Pakistan Rupee	27.70	Zimbabie	Zimbabwe \$	2.6050
						1			

#Rate is the transfer marker (controlled). ## New one official rate. (1) Essential quods. (2) Preferential rate for priority imports such as (controlled). ## New one official rate. (3) Preferential rate for priority imports. (4) Preferential rate for Public Sector Debt and Essential Imports. (3) Preferential rate. (4) Preferential rate. (5) Free rate for houry imports, remittances of money abroad and foreign travel. (7) Parallel rate. (9) Barkmote rate. (20) Ratifer exports. (14) New Carrency introduced (Bollviano, worth Im Pescal Jan 1987. Correction for March 9, 1987—Bellvia, Boliviano 3.0731.



**Trade Indemnity** 

on a comprehensive service de la completa del la completa de la completa de la completa del la completa de  la completa de  la co

EXPORT CREDIT INSURANCE, 01739 4311.

#### WORLD MARKETS

Adres & Constant.

Allied Into Back

lperican Exp. Sk \_

ANZ Banking Group

ashority & Co Ltd ..

Bank Lenni (UK) \_\_\_\_\_

Rank of Scotland

Sapone Beige Ltd......

Benchmark Tsi Lid\_\_\_\_\_ 10

Brons Shipley \_\_\_\_\_\_ 10
Beginess Mortgage Tst.\_\_\_ 10

Articles of Association.

Helsiniki, 9 March 1987

the Articles of Association.

Lendate Cap Corp..... 1]

Ranco de Súban \_\_\_\_\_ 10

Sank of Cypros

Alled Arab Sk Ltd...... 10

Wied Ducker & Co.....

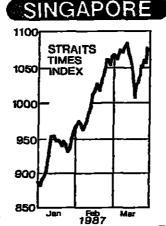
#### FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		MONDAY MARCH 30 1987 BGL									
Figures in parentheses	US Dollar	Day's Change	Pound Stering	Local Currency	Gross Div.	1986/87	1986/87	Year			
show number of stacks Der groupika	Index	unange %	Index	Index	Yield	_High	_ LOW _	200			
		+21	114.48	117.66	3.95	124.36	70.18	86.04			
Australia (94)		+11	87.02	88.60	173	101.62	70.60	76.95			
Austria (16)		-0.7	106.85	107.20	423	118.92	53.75	73.42			
Belgium (47)	116.07 130.46	-0.7 -1.9	120.09	123,47	225	134.35	86.58	97.05			
Canada (132)	LV.95	+0.0	104.99	105.83	234	124 10	87.87	100.05			
Deamerk (39)		-0.3	110.37	113.04	228	120.79	57.72	82.05			
France (121)	119.90		15.77 85.77		2.04	100.33	75.48	83.30			
West Germany (99) Hong Kong (45)	93.18	+1.8		87.41		114.71	62.87	66.05			
Hang Kong (45)	110.05	-0.7	101.31	110.18	2.96	131.44	62.33	82.95			
(reland (14)	130.63	-05	120.43	124.80	338			79.01			
italy (76)	102.77	+05	94.60	98.70	1.52	108.30 133.11	46.07 49.46				
Japan (458)	131.54	-12	121.09	121.69	0.53			68.09 75.75			
Malaysia (35)	132.74	-01	122,19	128.32	3.02	135,38	66.67				
Mexico (14)	247.77	+1.7	136.03	179.74	113	147.77	43.00	57.71 82.75			
Netherland (38)	113.08	-0.7	104.09	105.16	4.17	113.93	74.14				
New Zealand (27)	96.88	+0.7	89.18	90.89	2.97	100.59	47.37	60.87			
Norway (25)	126.00	+0.4	115.99	116.34	1.96	127.09	90.02				
Norway (25) Siegapore (27)	120.63	-1.1	111.05	118.66	313	122.51	55.94	58.01 103.61			
South Africa (61)	1/551	466	161.57	108.84	3.44	175.51	69.06 45.00	73.60			
Spain (43)	113.08	+15	104.09	108.75	3.71	121.31 115.19	63.35	82.68			
Sweden (33)	115.05	-0.1	105.91	107.51	2.22			77.84			
Switzerland (52)	98.61	+0.3	90.77	92.07	1.82	104.06	69.01	98.28			
United Kingdom (342)	130.62	-1.7	120,24	120.24	3.51	133.88	75.39 85.46	100.40			
Switzerland (52) United Kingdors (342) USA (580)	119.35	-2.0	109,86	119.35	3.05	124.06	85.46	100.40			
		-05	105.57	106.83	2.90	115.20	69.36	87.67			
Europe (945)	130.42	-10	120.05	121.03	0.72	131.80	51.10	68.60			
Euro—Pacific (1631)	12414	-1.0 -0.8	114.28	115.34	1.53	125.18	58.45	76.11			
North America (712)		-20	11041	119.59	3.00	124.60	85.61	100.22			
World Ex. US (1838)		-0.8	115.01	115.64	1.58	125.90	60.02	77.13			
World Ex. UK (2076)		-12	112.31	116.88	1.99	123.49	69.65	85.15			
World Ex. So. At. (2357)		-13	112.70	11721	213	124.06	69.95	86.16			
World Ex. Japan (1960)		-13	109.16	114.92	2.99	121.08	79.87	94.97			
De World Index (2418)	122.76	-12	113.01	117.17	2.14	124.32	70.14	86.27			

many will be deleted because the free float has fallen to under

FT-A WORLD INDICES



Mrs Credit Corp. Ltd...... 10

Nat Bit of Kencel.....

Northern Back Ltd .....

PK Finans, Intl (UK)..... Provincial Trust Ltd.\_\_\_ 12

Roxburghe G'rantee

Stendard Chartered ...

1/DT Mortesse Eco. \_\_\_ 912.25 United Sk of Konsoit \_\_\_\_ 10

United Micrahi Bank\_\_\_ 10 

Whiteway Laidan \_\_\_\_ 10<sup>1</sup>2 Yorkshire Bank \_\_\_\_\_ 10

Members of the Accepting Houses Committee, + 7-day deposits 5-35%. Savewise 8.03%.

Deposits 3-3978. Savewise 8.1978-Top Tter—E2,500+ at 3 monitics notice 9.387%. At call when £10,000+ reviales deposited. ‡ Call deposits £1,000 and over 51/% gross, ¶ Mortigage base rate. § Demand deposit Mortigage 124/%.

National Girobank ...

**BASE LENDING RATES** 

Comp. Sk. N. East ...

Consolidated Cred .....

Cypros Popular Bk.....

Equator'i Tst C'p pic

Figure 2 & Geor. Sec .....

First Nat. Sec. Ltd......

HFC Total & Savings....

loogkaag & Shapgb' Liones Bank.

Mase Westpac Ltd...... 10 Meghraj & Sons Ltd.... Mindand Back.....

Meeting of Shareholders which will be held at 4.00 pm on Monday, 13 April 1987, in Helsinki in the auditorium of the Congress Wing of Finlandia Hall, address Karamzininkatu 4. Entrance from either Mannerheimintle or

1 Matters to be dealt by the General Meeting according to Article 16 of the

2 The Board of Directors' proposal amend the allen's clause in Article 5 of

The purpose of the proposed amendment to make it possible to raise the proportion of so-called non-restricted shares from one-fifth of all shares as currently allowed by the Articles of Association to the maximum amount approved by the authorities from time to time. A proposal to authorise the Board of Directors for a period of one year as

a) to decide on raising share capital through new issue in one or more instalments by a maximum of FIM 180,000,000 by offering a maximum of 3,000,000 new restricted or non-restricted Series I shares or restricted on non-restricted Series II shares with a nominal value of FIM 60 for subscription at a price determined by the Board

of Directors and with the subscription conditions decided by the Board

of Directors; or to decide on Issuing convertible debt or debt with warrants attached in one or more instalments with the condition that holders have the right to exchange the debt either entirely or partly for shares in the

Company or to subscribe to new shares and to decide on all conditions for the debts and related share subscription. The nominal value of

shares which can be exchanged for debt or subscribed to on the basis of warrants may together total a maximum of FIM 180,000,000.

The proposal authorization could also include the stipulation that the Company could diverge from shareholders' pre-emptive rights.

In a possible directed share issue or equity-related issue, the pricing of shares would be based on market conditions. The acquisition of funds is intended to strengthen the Group's solvency and expansion and to take advantage of new financing opportunities opening up on the domestic and international capital

Documents concerning financial statements and the Board of Directors' proposals for the decisions mentioned in points 2 and 3 can be viewed by shareholders during one week before the General Meeting at the Company's

head office. The Company's annual report for 1936 will be available as of 3 April 1987 in Helsinki from the Company's head office, John Stenbergin ranta 2, and Arabia-Nuutajärvi shops, Pohjoisesplanadi 25 and Mannerhelmintie 20. At their request the annual report will also be sent to

A shareholder who wishes to participate in the General Meeting of Shareholders must register no later than 4.00 pm on 9 April 1987, either in writing to 0y Wärtsliä Ab, P.D. Box 230, 00101 Helsinki, or by calling 7095 338. A letter of attorney on the basis of which a proxy can use the shareholder's votes at the General Meeting must be delivered to the Company before the end of the registration period.

The General Meeting will deal with the following matters:

■ Robert Fleminy & Co....

Griedlam Rask ... ● Gairness Makoo…

Hambre Sask ...

C. Hoare & Co.

First Mal Flu Corp ..... 11/2

Robert Fraser & Pirs.... 111<sub>2</sub>

E.T.Trost...

Exeter Trust Ltd...

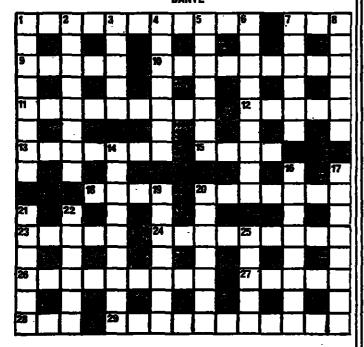
10

Castrant NA.

#### **EUROPEAN OPTIONS EXCHANGE**

	i		y 87		g 87		W 87	)
Series	: <u> </u>	Vel.	Last	Val.	Last	Val.	Last	Stock
GOLD C	\$400 \$420	89 467 455 82 210	28 14,90 6,90 3 1,30	31	38.90 26.4 17	1 6	35	\$422.50
EOLD C	\$440	455	6.90	57 197 20	717	) ii	23.50	1 -
COLD C	\$460	82	. 3	20	9	1 =	=	
GOLD C GOLD P	\$440 \$460 \$480 \$360	200	130	40	T	( = I	=	·
GOLD P	5370 i	91	7.90	=	12	315	. 3	) <del>"</del>
GOLD P GOLD P	\$420 \$440	41	7.90	27 409	岩	1 <del>2</del> 5 '	23	-
<u> </u>	4,	Je.	87	Se		De	sc 87	
SU VER C	5600					T -	<del></del>	\$626
SILVER C SILVER C	47.40	27	38	40	55 35 21	50	<del>2</del>	
SILVER C SILVER P	\$/00   \$650	14	430	45	<u> </u>	! ≃ !	~	*
<i>LI</i> FI P	\$700 \$650 F1.320	15	430	.=	=	<b>!</b> — [	_	FL328
<u>£/F1 P</u>	F1.330			100	12.70	L=,		
		A			y <u>87</u>	<del>,</del> "	n 87	
\$/FI C \$/FI C \$/FI C \$/FI C \$/FI C	F1.200	101	4.90		_	33	3.80	F1.203.60
ŠFI č	FI 210	41	0.60	19	1.30	33 50	5	
SVFI Ç	fi.215 1	-	_	_	. –	22	200	
CEID	F1.190 F1.195	49	0.50	19	1	l 2á	0.80 1.70	-
S/FI P S/FI P	F1.200	104	1.25	158	2.40	74		
SPIP SPIP SPIP	71200	49 104 102 7	050 125 330 730	19 158 21 5	2.40 4.20 7.50	28 74 7 15 80	550 850	-
S/FI P	F1.195 F1.200 F1.205 F1.210 F1.215				-		12.20	
			87	De	c 87	<u>M</u> ;	ar 88	
S/FI C S/FI C	FL195 F1200 F1205 F1210	200	22	<u></u>	, <u></u>	<i>-</i> -	:	F1.203.60
SYFI C SYFI C SYFI C SYFI C	F1.205	- 8	5.50 3.60	20 20	88 6.20		_= :	"
S/FIC S/FIC	F1.230	16	3.60	12	3	9	5.90	~
5/5-1 (2)	FI 215 FI 195 FI 200	16	3		_	! = i	_ = :	-
\$/F1 P	FL200	61	5	22_	6.70			
			pr 87				1 87	L
ABN C ABN P	FI 540 FI 500	355 77 299	310 420	66 46 94 20 15	11.50 13.50A 4.80	151 52 25 33	16.10 21.50	FI_518
AEGON C	F1.90	299	2.30B	94	4.80	25	6	F1,90
AEGON P AHOLD C	FI.95	42	1.90	) 갩	6.70 5	25	9	F1.07
AHOLD P	71.90 F1.95 F1.110 F1.150	57	( 4	10 192 192	1 7	=	. = 1	· ·
AHOLD P AKZO C AKZO P	FI.150 FI.140	387	1.50 2.20	192	3.70 6.20	1 72	6.70	F1143.10
AMEV C	FI 45	387 439 167	1 23	1 85	430	30 30 30 70	6.70 7.50 6A 7	FL65.80
AMEV P	F1.70 F1.85	1027	=		- 68	<b>3</b> 20	7	FL82.30
AMKU L AM <i>d</i> o P	F1.80	1113	] 2	1 7%	3.40	, 'š	4.90 5.50	, a .
ELSEVIER C	FI.250	9	510	64	4.30 68 3.40 3.40 13.50	-		FI.248.50
GIST-BROC. C	F1.45	61 34 21 33	1 0.20	151 64 28 5	1.95 4.80	10	350	Fi. 43.30
HEINEKEN C	FI.40 FI.180	2	1.40	51	4.80	19	6.80	FL171.50
ANZO P AMEV P AMEV P AMEO C AMEO C AMEO C ELSEVIER C GIST-BROC. C GIST-BROC. P HEINEKEN P HOOGOVENS P KLM C HEINE C HE	FI 170 FI 35	33	5.10 0.70 0.60 1.40 3.50 2.50 3.20	51 32 323 258 146		19 2 36 280	8.50 5.20 5.20 1.408 7.20	FI.34
KOOGOVENS P	A 44	1559	320	一多	430 4.20	280	520	1
KLM C	FI.45	35	0.20	146	1	157	1.40B	Fl.39.20
NED LLYOD C	F1.45 F1.180	73	6 2	19	4.76	1 2 2	7.20	F1.172.50
NED LLYOD P	FI 170	553 1559 35 66 73 30 83 47 480	3.90	19 51	4.70 10.30 3.50 4.80		.=	1 - 1
KAI. NED C Nat. Ned D	F1.75	밁	3	193 71 338 138 459	3.50 4.80	103 69 152 10 390	4.80	Fl.73.50
PHILIPS C PHILIPS P	F1.75 F1.50	480	0.90	338	1 2.40	152	3.70 3.80	FI.49.30
PHILIPS P	F1.50 C F1.240	1203	Z40	138	3.60 7.50A	1 10	3.80 9.50	FI 260
ROYAL DUTCH ROYAL DUTCH	P FI.240	1393	0.90 2.40 5.30 4.50	1335	7.50A 11.50B	385	14.50	FL240
ROSECO P	FI.100	∣I 3	1 2	誕	1 2.50	108		FI.101.40
UNILEVER C UNILEVER P	FI.580 FI.580	779 204	177908	442 100	20 24 <i>5</i> 0	1 113	28 288	F1.577
TOTAL VOLUMI								
		A=Ask	B=84	c-	Call 1	P=Pet		

FT CROSSWORD PUZZLE No. 6,291



- ACROSS 1 Look at and study the work-
- ing pattern (11)
  7 Have to concede (3)
- 9 A moss-strewn island of Greece (5)
- Greece (5)

  10 Not impressed (9)

  11 Record-making start to the student year? (9)

  12 It is well used by desert travellers (5)

  13 To agree completely (7)

  15 Improve on the ebb-tide (4)

  18 It appears we have the responsibility (4)

  28 Match-maker? (7)

  21 I get gloomy losing my home (5)

  8 It sounds bad—not so, he's in the pink (6)

  14 Country you drop off to visit? (4, 2, 3)

  16 Press men in China (8)

  17 Highly attractive part of Belgium (8)

  18 Sit sounds bad—not so, he's in the pink (6)

  19 Struck by Cupid's dart? (7)

  20 Screen I wrenched open (7)

  21 Stimulus given to a sound man (6)

  22 Gerald upset—and looked it! (6)
- (6)
  24 One caring, perhaps, but not 25 Gathers in spare jumble (5) knowing (9)
  26 It is held to improve the eventisht (0)
- eyesight (9) 27 A female Pole is pale (5)
- 28 It's evacuated during the shelling (3)
  29 Eating habits (6, 5)

#### **DOWN**

- 1 Class includes group provid-ing music, perhaps (8) 2 Can count on union rising
- about tea-break (8)
- 3 Peg-legged supporter of the Arts (5) 4 It's discourteous to snoop about with excessive priggishness (7)

- 5 Morning uprising has sup-port from disjointed person
- 6 A leader of opinion (9)
- 7 Fancy us to be stupid (6) 8 It sounds bad—not so, he's in



U.5.5100,000,000 Guaranteed Retractable Notes due 1999

#### **CITICORP**

the Notes will be US\$375.00.

By: Citibank, N.A. (CSSI Dept.), Agent Bank March 27, 1987, London

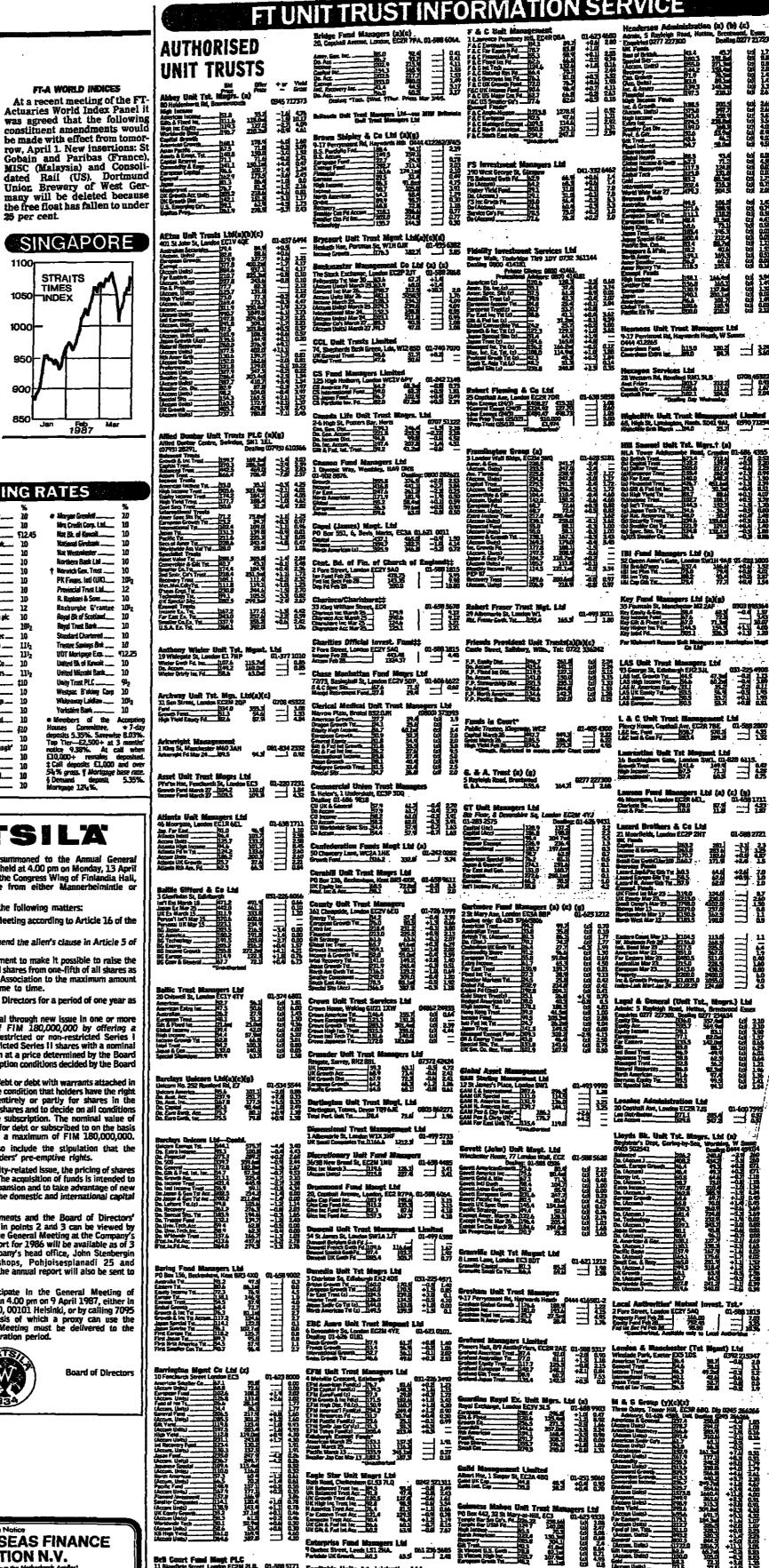
**CITIBANCO** 

777777777

217.Z 400.5

2000017 1917 1977 379.2 264.0 111.2 1929 1932 17934 194.4

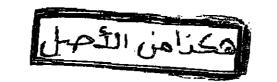
**Board of Directors** 



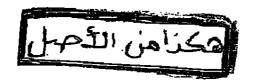
CITICORP OVERSEAS FINANCE **CORPORATION N.V.** 

Unconditionally guaranteed by

Notice is hereby given that the new Rate of Interest on the subject Notes has been fixed at 71.7% for the period April 15, 1987 to April 14, 1990. Value of Coupons numbers 3, 4, and 5 in respect of US\$1,000 nominal of the Notes will be US\$75.00 and in respect of US\$5,000 nominal of the Notes will be US\$75.00 and in respect of US\$5,000 nominal of



Septimization of the second se



m 6 Legisch

: - 24

· No. 12

..... 85° W

, 207

g sa sing

. .

46	LONDO	N SHARE SERVICE	TRIALS—Continued INDUSTRIALS—Continued
190467   1	1966,87   Start:   Price   - Met   Cw/Gr3   Price   - 206   33   Winding (II. Em. 10s   175   -2   67   115   11	Cont.	1986   1976
CANADIANS  1966-87   Stock   Price  + or Ott   Y'M 1966-87   Stock   E   - Gross   C'ari Gr's 320-9   220   Waldoot Every Corp.   220-9	280   144   Starmers (Lebu 20p.   280r   15.0 4.2   25   13.5   32.2   34.5	0.57 4 2 22 13.9 102 5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	271 -3   274 -4   37   162   152   152   152   153   154   153   155
2	117   70   Smart (J) 10p   114   562   344   Tamer 50p   562   344   Tamer 50p   562   344   Tamer 50p   562   345   Tamer 50p   562   346   Tamer 50p   562   346   Tamer 50p   562   346   Tamer 50p   562   346   562   346   562   346   562   346   3	C1   G7   G7   G7   G7   G7   G7   G7   G	Cart   10   35
10   739   177mk Carpis   140p   -3   8   -1   1229   1729   1727   1729   17	CHEMICALS, 158 115 DDT Group 50 146 1 146 158 177 HDJ Sec Alzong 10p 147 147 147 147 147 147 147 147 147 147	88. 9   13   28   21   139   65   85   86   86   87   87   155   22   23   12   24   14   25   25   25   25   26   25   25   25	LISSIS 9
100   478   348   478   477   12   32   34   54   54   54   54   54   54   54	259   150   Content Bross   258   43   146   29   30   135   405   250   Enriston LLM   5150   226   43   146   29   30   135   405   250   Enriston LLM   5150   260   409	13   0   13   0   157   157   158	16 Armstra 50 - 231 - 2
SILS   572   Microp SS   569   +37	25	12   13   13   13   13   13   13   13	Statisty (10p. 183 +1) F2.0 - 27 - 40 0 25 Ryan let'15p. 34:141 - 40 0 25 Ryan let'15p. 34:14
Hire Purchase, Leasing, etc.   74   36   52   52   52   52   52   52   52   5	STORES    50	M2  48   05   25.5   268   112   Happierre 109   260   271	ican Int. 20a. 85 -4 55 25 91 4.9 770 1122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 13.0 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 15 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 15 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 15 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 15 16.4 7 122-KSinctair (Wm.) 265 - M513 4.0 27 122-KSinctair (Wm.)
165   67   Boddington	15	04% — 11.5 — 280 105   Laner's Hops have 1	te AB Stv172- 513-
250   215   Hitorland   238   238   5   7.0   2.9   1.8   288	173   173   173   174   174   174   174   174   175	A	Section   Sect
112   52   Aerociff 10p.   101   -2   -2   -2   -2   -2   -2   -2   -	206 107 68   Kern (John 59 98 - 1 179 30) 22 185 130 44   Systems (Belly 109 110 110 110 110 110 110 110 110 110	175   175   185	ris (Ph.) 20p. 270 9.25 2.8 4.8 10.3 289 14 (Weiper 79 25)m -1 (0.27) 11 13 1 12
633 +3 6.27 (500 to 10 t	10.9   163   84 oPrintares (49) (10)   95     25 26 3.7 13.3 4   101   109 (100)   1	13.0   2.3   4.4   14.5   21   120   Gardinick Resi. 100   179   47   1.22   27   31   13.9   675   519   332   Gardinick Resi. 100   179   475   1.23   27   31   13.9   675   28   848   10.3   12.9   675   28   848   10.3   12.9   675   28   848   10.3   12.9   675   28   848   10.3   12.9   675   28   848   10.3   12.9   675   28   849   12.5   675   10.3   12.9   675   10.	## 109
328   134   Heywood Welsams	\$\text{\$\text{\$\text{\$\ \phace{4\ 0} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	1	3.5 Pathology 10p 470 45 13.5 11 1.0 45.2 (13.1 1.0

ACTION AND ANY PROPERTY OF THE The state of the control of the cont REGIONAL & IRISH STOCKS | 210 | 250 | 250 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 TRADITIONAL OPTIONS | TRADITIONAL OPTIONS | 3-month call rates | 3-mont 3-month call rates

Apr 2 Apr 3 Apr 13 Apr 23 Apr 24 May 5 Apr 27 May 7 May 18 May 28 New time dealings may take place from 9.00 am two business days earlier.

ket's steadiness in the closing minutes was the easier trend of

the index-linked sector, which ended about % of a point down-

suggesting relative confidence in the outlook for inflation in the

UR. Clearing banks mirrored the

revived world debt uncertainties.

Lleyds dropped 13 to 454p and

Midland cheapened 13 at 629p.

NatWest came on offer and lost 12 at 567p and Barclays also relin-

quished 12 at 497p. Elsewhere, Royal Bank of Scotland ran into nervous selling following a lead-

ing broker's adverse comments

concerning the bank's exposure to

Latin American debt and ended the session 18 down on balance at

316p. Merchant banks drifted

lower with Kleinwort Benson 15

easier at 580p.

Despite the TSB's categorical denial of a Sunday press suggestion that the bank was engaged in

merger negotiations with Sun Life, the lattier moved up 1/2 to £10% ahead of tomorrow's preliminary figures; TSB touched 88p before

closing a fraction lower at 86p.
Abbey Life softened 32 at 263p
awaiting tomorrow's annual

results-brokers' estimates range

Prudential declined 15 at 882p and

Legal and General shaded 9 at 279p. Lloyds' broker Dewey War-

ren, a strong market since Mr Robert Holmes à Court's Bell Group acquired a sizeable stake, retreated 17 to 203p following pro-fit-taking after the disappointing

the placing price of 140p.
Relatively light selling and the

fell 16 to 912p. Scottish and Newcastle dipped 8 to 228p but distiller Macdonald Martin "A"

encountered support and gained

overall depressed trend

THE London securities markets suffered a large-scale shakeout yesterday in the wake of the heavy setbacks in New York and Tokyo. The equity market recorded its largest daily fall in index points terms as weakness in the dollar, and a heavy opening fall on Wall Street, brought widespread losses in share prices in London, British Government bonds, unsettled both by the fall in the key Yen/ dollar rate and by the slide in New York bond prices, closed with losses of more than a point.

Selling of equities was not beavy-the big investment instituneavy—the old investment institu-tions largely stayed out of the mar-ket. But the currency worries, already reflected in Friday's los-ses in the US and Japanese stock markets, caught London at a ner-

This week brings the end of a market trading account which spans the fiscal year end, and is expected to prompt significant selling by private investors who have substantial profits on their investment portfolios. Shares fell heavily from the

opening, with Glaxo, Imperial Chemical Industries and Beecham setting the pace for the multi-nationals. London was 34 points down on the FT-SE scale as traders waited nervously for New York to open.

York to open.

An early loss of 70 points on the Dow sent London reeling below the FT-SE 2,000 mark scaled only a fortnight ago. The market then steadled, with Wall Street, to show the shares opened with a pre
fit-taking after the disappointing annual figures.

Property investment group Burket lifted Baldwin 20 to 133p.

ICI moved progressively lower to close ½ down at £13¼.

Superdrug, Britains largest drug the Unlisted Securities Market; to show a final net loss of 46.1 to 2002.5 on the FT.SE 100.

At 1522.2, the FT ordinary index the growing strains in world currency markets brought wide-currency markets by the placing price of 40 at 180p compared with the placing price of 160p. a final net loss of 46.1 to 2002.5 on

The growing strains in world currency markets brought widespread losses in the UK exporting stocks. Pharmaceuticals, too, fell heavily as increasing political absence of any buying power took a heavy toll on the Brewery leadtensions over Japanese trade policies cast a cloud over prospects ers. Double-figure falls were widespread and Guinness closed for an early renewal of Japanese demand for UR equities. 13 easier at 317p while Allied-Lyunsaiso showed a sizeable loss at 389p, down 12. Bass, which announced the sale of its Pontin's Holiday UK interests for £57.5m,

Currency worries were also seen again in the gold share markets, where prices continued to move to fresh 1986-87 peaks. Government bonds were also badly shaken by the fall in the dollar, which raised some concern that US interest rates might have to rise. With hopes for another cut in UK bank base rates now post-poned, and the City less sure of the prospects for an early election in the UK, buyers backed off from gilts, sending prices down by as much as 11/2 by mid-afternoon.

Speculative selling in the Liffe Gilt futures market undermined cash Treasuries. But late dealings in London brought a modest rally in bond prices, on the back of some buying interest from the US. Long-dated

Also underlining the bond mar-

# Shakeout in equities and Gilt-edged as global

markets and the dollar fall

FINANCIAL TIMES STOCK INDICES											
		Ī		24	Mar.	Year	198	5/87	Since Co	mpilation	
	Mar. 30	Mar. 27	Mar. 26	Mar. 25	24	3g0	High	Low-	High	Low	
Government Secs	89.97	90.76	91.22	91.56	91.66	92.55	94.51 (18/4/86)	80.39 (207/86)	127.4 (9/1/35)	49.18 (3/1/75)	
Fixed Interest	97.71	97.43	97 <b>.2</b> 0	97.33	97.32	96.02	97.98 (19/3/87)	86.55 (23/1/86)	105.4 (29/11/47)	50.53 (3/1/75)	
Ordinary 🕈	1,582.2	1,620.6	1,614.9	1,623.0	1,625.2	1,402.2	1,625.2	1,094.3	1,625.2 (24/3/87)	49.4 (26/6/40)	
Gold Mines	438.2	432.8	428.2	412.4	386.6	279.9	438.2 (30/3/87)	185.7 (18/7 <u>/86)</u>		43.5 (26/1071)	
Ord. Div. Yield	3.71	3.63	3.65	3.64	3.63	3.87		S.E. AC	TIVITY		
Earnings Yld,%(full)	8.45	8.31	8.37	8.34	8.33	9.26	in	láces	Mar. 27	Mar. 26	
P/E Ratio (net) (*)	14.54	14.76	14.65	14.70	14.72	13.38		Bargains		N/A	
SEAQ Bargains (5 pm)	54,984	50,538	55,725	57,282	61,385	i — j	Equity Bary	ويرافغ	N/A N/A	N/A N/A	
Equity Turnover (Em)	- '	1,436.57	N/A	1,587.19	1,665.65	739.52	5-Day Aver	ragė		-140	
Equity Bargains	! —	63,824	N/A	71,695	70,209	26,768		Bargalms Bains		N/A N/A	
Shares Traded (ml)	_	537.0	N/A	683.0	633.7	284.9	Equity Value	6	N/A	N/A	
© Opening 10 a.m. 11 a.m. Noon 1 p.m. 2 p.m. 3 p.m. 4 p.m. 1615.1 1609.9 1610.3 1603.2 1602.6 1602.6 1591.2 1578.2											
Day's High 1617.3. Day's Low 1575.6  Basis 100 Govt. Secs 25/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=13.99.											

13 to 380p. Elsewhere, EBC responded to increased annual profits and a confident statement with a rise of 20 to 165p, but Manders lost 5 at 345p despite higher annual earnings. Press comment boosted Sandell Perkins 12 to 253p, and Ward Holdings 7 to 528p,

Superdrug, Britains largest drug store chain with 300 outlets, were oblivious of the surrounding malaise, soaring 173 to 653p in response to the surprise and agreed share-exchange bid from Woolworth; the latter, which recently broke off bid discussions recently broke off hid discussions with multiple retail chemist, Underwoods, but soon after announced an agreed offer for Charlie Browns Car Part Centres, fell 40 on the news to 790p. Share Drug, at 285p, and Lleyds Chemists, at 198p, rose 7 and 8 respec-tively in sympathy, while Tip Top Drugstores were also excited by Woolworth's move and ended the session 23 to the good at 173p. Leading retailers, on the other hand, gave a dull performance. End financial year profit-taking and fading hopes of a further early reduction in clearing bank

base lending rates prompted fairly heaviy falls. Storehouse dropped 15 to 290p and Gussies "A" cheapened & to £12½, while Harris Queensway gave up 8 at only leading Building issue to buck the dull trend and closed 7 higher at 818p, after 822p, following favourable Press comment and reports of a broker's circular. Annual profits at the top end of market estimates failed to sustain 203p. Dixons lost 10 at 391p and Burton cheapened 9 at 297p; the Rugby Portland Cement, which set-tied '2 at 140p. Tarmac dipped 20 to 516p, while BPB Industries shed 11 to 700p and RMC lost 15 at latter's interim results are sche-duled for Thursday. Plessey led the retreat of the leading Electricals, falling 13 to 236p on reports of a broker's downgraded profits forecast. Weekend comment on the way in 827p. Among Contracting and Construction issues, Costain encoun-

squeezed out of the Japanese telecommunications industry left Cable and Wireless 12 lower at communications industry left Wall Street, with Beecham reac-Cable and Wireless 12 lower at ting 25 to 550p and BOC 14 to 440p, 262p, while GEC dropped 6 to 208p on confirmation that the Ministry of Defence and RAF are renogiating the group's 5500m Foxhunter air interceptor radar system contract for Tornado fighter aircraft.

BICC gave up 6 at 340p and STC international fell 12 to 278p, while U.S. favourite Renters closed 24 off at 705p. UDO Boldings came on

> 12 at 295p. NEI hardened a fraction to 94p on reports of a Government contract for 2 coal-fire power stations and, in the wake of a seminar with brokers Chase Manhattan Securities, who rate the shares a "buy."
>
> Leading Engineering followed
> the downward trend, GEN, 321p.

and Vickers, 490p. both closing around 8 cheaper. Elsewhere, Braithwaite featured a fresh gain of 18 at 385p following weekend Press mention. Some of the recent favourites, however, ran into sell-ing. Thomas Robinson dipped 16 to 418p and TI Group fell 20 to 669p, while Crewn House closed 12

down at 223p.

Profit-taking left its mark on recently firm Foods. Cadbury Schweppes gave up 9 at 245p and Rowntree Mackintosh shed 8 to 489p. Tate and Lyle dipped 23 to 765p, while Hillsdown reacted to 250p prior to alosing 7 lower at 260p prior to closing 7 lower at 264p. Geest shed 5 to 219p awaiting today's annual results, but Tavener Rutledge attracted support following Press comment and

Double figure losses were commonplace in the miscellaneous industrial leaders. International stocks were particularly unsettled

LONDON REPORT AND LATEST SHARE INDEX: TEL. 03-246 8026 by the sharp early reaction on Wall Street, with Beecham reactract for Tornado fighter sireraft. dipped 22 to 425p and Lineous BICC gave up 6 at 340p and STC International fell 12 to 276p, while British Telecom declined 5 at 252p. U.S. favourite Renters closed 24 ish Telecom declined 5 at 252p. Elsewhere, Wordplex mped 12 to 162p following revived and gave up 17 to 221p, but Reed speculative support and First Security came alive with a rise of foreast in excess of £6m advisored a fraction of the profits foreast in excess of £6m advisored a fraction of the profits foreast in excess of £6m advisored a fraction. anced 41 to 557p. Week-end newspaper mention prompted fresh demand for Blue Arrow which demand for Bine Arrow which rose 15 to 701p. Norank, a particularly good market last week, eased to 224p on the announcement that talks are taking place with Spong which may lead to a merger of the two companies. Spong closed a

penny lower at 28p. Penlland, a good market recently on the pre-liminary figures and proposed two-for-one scrip issue, ran into profit-taking and closed 35 lower at 720p. Grampian Holdings, sche-

**LONDON TRADED OPTIONS** 

Apr., Jily. Oct. Apr. July Oct.

12 26 42

3 11 16 22 35 39

8 35 22 55 44 80 80 110 125 140

11 37 85

2 6 20 42 10 18 33 57

1 1 332 5 72 14 —

25 47 78

3<sup>1</sup>2 10 20 1 4 13

2 4 7½

23

12 32 1

80 83 50 56 24 35

65 ~ 45 32 8 30

22 151<sub>2</sub> 101<sub>2</sub> -90 55 38

100 18 77 42 - 73

 May
 Asg
 Dec
 May
 Aug
 Dec

 27
 50
 60
 20
 27
 33

 8
 28
 38
 50
 57
 62

 4
 11
 17
 97
 100
 102

90 10 55 30 28 62

11 20 35

103 — 77 90 48 65 30 46

43 26 18

32 24 16

which is to take the company private. Elsewhere in the Leisure sector, Campari firmed 3 to 184p on details of the return to pro-fitability and £23m rights issue

Suggestions that Lucas Industries could be overprised brought a reaction of 91/2 to 577p white currency influences choked off interest in Jaguar, down 19 at 579p. The agreed share exchange offer from Hawley left British Car Auction little changed at 234p but lowered Hawley 11 to 1394p. Speculation continued to surround Western Motor Issues. Thoughts that the intended purchasers could use the company as a vehicle for expansion lifted the shares well above the recommended offer price of 270p, the close being 25 higher at 310p. Investors in Home Counties Newspapers. 17 up at 392n, were lowered Hawley 11 to 1391/2p. Newspapers, 17 up at 392p, were obviously looking ahead to the preliminary results, scheduled for April 7. Paper/Printings generally April 1. Paper Frinance serving trend. BPCC fell 6 to 340p despite sharply increased profits and an outsianding start to the current year. USMquoted stocks were volatile. Craton Lodge rising 14 to 100p and Michael Peters gaining 5 to 156p but Crown TV losing 5 to 65p. Else-where, Osprey Communications jumped 12 to 80p and Blenheim Exhibitions rose 9½ to 211p on comment plus news of a possible

Losses among the Property leaders were relatively modest. Land Securities settled 8 off at 403p and MEPC 7 cheaper at 388p. British Land came back 4 to 1974p while Slough Estates shed 5 to 208½p, the latter's good annual profits outweighed by the slightly disappointing net asset value. Elsewhere, Apex lost 15 to 130p following the agreed offer worth some £14.4m from Randsworth Trust Press comment lifted Sheraton 41/2 to 69p, after 70p, but profit-taking in the wake of the recent sharp rise left Shield 28 lower at 320p. London and Edinburgh rose 25 to 725p awaiting today's preliminary

duled to reveal annual results today, improved 9 to 235p.

Sharply higher last week following the announcement that the company had started bid discussions, International Leisure Group Press, closed 6 off at 216p.

But 2 to 130p on the revealation. lost 8 to 180p on the revelation that talks involved an ILG management group, the purpose of strength News of the reorganisa-

May Aug. Nov. May Aug. Nov

70 3 95 4 43 11 35 24

78 50

172 132 105 44½ 36½ 28½ 23 21½ 01% 01%

12 30 48

68 50 30

235 — 190 — 150 — 1112 130 75 95 47 70 30 55 Calls of the control 
16<sup>1</sup>2 13 8<sup>1</sup>2

73 48

36 23 121<sub>2</sub> 135 150 160 165 180

390 100 420 75 460 44 500 20

73 45 45

64 49 36 27

90 35 10

27 15 9

190 142 97 63 204 160 117 85

BTR (\*328)

NEW HIGHS AND LOWS FOR 1986-87 (1), TEXTILES (1), TRUSTS (4), OILS (5), MINES (50), THIRD MARKET (2).

MEW FINGES AND

MEW HIGHS (143)

AMERICANS (1), CANADIANS (1),
BANKS (3), BREWERS (1),
STORES (5), ELECTRICALS (5),
ENGINEERING (3), FOODS (3),
HOTELS (1), INDUSTRIALS (16),
LEISURE (2), MOTORS (1),
NEWSPAPERS (2), PAPER (9),
PROPERTY (10), SOUTH AFRICANS NEW LOWS (6) BRITISH FUNDS (1) Treas. 84pc '97 8 (£40 pd.), AMERICANS (1) Manufacturers Hanover, ELECTRICALS (3) Fujitsu, Ran Data Corporation, TOK Corporation, INDUSTRIALS (1) Hille

tion of part of the group's activi-ties, including the formation of a new commercial and services new commercial and services company, encouraged some short-term holders to sell and price retreated 20 to 450p. Associate Caledonia Investments dipped 32 to 355p. Elsewhere, MAL 515p, and Mercantile House, 348p gave ground but Argyle Trust railied from 2 weak three-day spell to close 5 un at 173p. Parambe were

close 5 up at 173p. Parambe were in demand at 108p, a gain of 8 on n demand at 1001, a gata of riday's closing level.

Oils were badly hit by the Wall of Gwalia 82 to 575p and Poseidon treet slide but closed well above 65 to 520p. North Kalgurii added 3 Friday's closing level Street slide but closed well above the day's lowest levels. British Gas dipped 2½ to 91p, BP 15 to 921p and Ultramar 10 to 231p. LASMO. dropped 10 to 253p in front of

today's preliminary figures, while firmer at 117p.

Burmah, scheduled to announce (hll-year results on April 9, fell 8 The recent upsurge in mining . First dealings March 13 markets continued apace with • Last dealings April 11 South Africans, Australians and • Last declaration July 9

The weak dollar and a sharp sell off in equity markets in London and the US triggered a fresh advance by precious metals. Bullions rose \$7 to \$423.75—its highest clos-ing level since October 23 last

shead from the outset, with sub-stantial overseas and London buying interest again uncovering widespread stock shortages. Sterling prices were restrained by the rise in the pound against the dolar but the Gold Mines index still Brothers, Ragle Trust, Muntan anadad a further gain of 5.4 to Priest, F. H. Tomkins, Feeder, No. 10 and Spencer. No. 10

ern Deep jumped £11/2 to £38%, Driefontein % to £15% and Wink-

elhaak ¾ to £18%. Consolidated Gold touched 974p early in the session before slipping back to close a net 19 up at 968p, helped by favour-able Press comment, while Blo Tinto-Zinc, scheduled to announce preliminary results on April 9, jumped 16 more to 830p.

Record rises in gold shares in overnight Sydney and Melbourne markets prompted a scramble for Australian gold stocks in London. In the leading group of gold producers, Central Norseman leapt 125 to 885p, Gold Mines of Kalgoorat 57p. "Down-under " diversified issues were lead higher by Western Mining, 22 up at 342p, Peke-Wall-send 19 better at 316p and MIM, 9

**Traditional Options** 

platinums all posting further • For Settlement July 20 strong gains. For rate indications see Unit Trust Service Stocks dealt in for the call included Norfolk Capital, Hampton Trust, Atlantic Hampion Trust, Atlantic Resources, Johnson and Firth

Brown, Tranwood, Property Trust, Blacks Leisure, Dares Estates, Sheraton Securities, Industries, Morgan Pentland Ultramar, Comtech, Berkeley and Hyman and Nell and Spencer. No puts were reported but a double over the past ten trading sessions.
In the Gold Bandfontein gained over 3 points to £90%, while West-

#### TRADING VOLUME IN MAJOR STOCKS

1,900 2,500 1,100 3,800 229 970 1,400 1,700 4,300 1,700 1,20 Pitted against a dull backcloth in the Textile sector, S. Lyles rose Grand Met ...... Tesco\_\_\_\_\_\_Thorn EMI\_\_\_\_\_\_Trafalgar House Thouse Forte\_\_\_\_\_ Gus "A"...... Guardian R.E..... Imp. Cost. Gas .....

#### rises and falls yesterday

807

### **LONDON RECENT ISSUES** EQUITIES Net. Fires Gross P.E. Div. Cord Visit Ratio 12.13 3.6 1.7 23.3 R4.07 3.1 1.5 29.7 R6.07 2.4 44 10.8 si.2.9 2.4 4.1 10.8 si.2.9 2.4 4.1 10.8 si.2.9 2.2 4.4 10.8 si.2.9 2.2 2.4 10.8 si.2.9 2.2 2.4 27.8 - - - 10.8 si.2.9 2.8 3.1 16.3 si.3.0 3.1 2.1 21.6 si.3.0 3.1 3.1 2.1 si.3.0 3.1 3.1 2.2 si.3.0 3.1 3.1 2.2 si.3.0 3.0 3.3 3.1 2.2 si.3.0 3.0 3.3 3.1 2.2 si.2.0 3.3 3.3 3.2 si.3.0 3.3 3.3 3.3 si.3.0 3.3 3.3 3.2 si.3.0 3.3 3.2 si.3.0 3.3 3.2 si.3.0 3.3 3.3 3.2 si.3.0 3.3 3.3 3.2 si.3.0 Closing Price F.P. | 180 F.P. | 180 65 34 1311<sub>2</sub> F.P. | 226 F.P. | 203 133 F.P. | 273 231 F.P. | 213 F.P. | 137 F.P. | 213 F.P. | 2124 F.P. | 2124 F.P. | 213 F.P. | 213 F.P. | 215 F.P. | 216 F.P. | 217 F.P. | 218 F.P. | 219 F.P. | 21 6150 (215) (216) (

				Sand	# G U J G C4 105.   176   -2   82	5 3.6 2	6 136E
FIXE	D 11	ITE	RES		OCKS	7 20 2	0 17479
Issue Price	Amount Paid	Lätesi Retense	198	487	Stock	Closing	T
<u> </u>	<b>PP</b>	Date	High	Low	Julk	Price	+ 07
5100 5100 598.819 597.877	EP. HIII EP. SIO EP. SIO EP.	244 3% 134 155 119 14 -	1164 1998 1998 1005 2411 1074 98	131 <sub>20</sub> 421 <sub>2</sub> 200 20 2004 98	Top Size Estates 7%, Com. Urn. Ltr. 2005/0 Disconsignation-int-bring Cr. Urn Lus(E1) Williams 6% Com. Real, Pri. E1 Wild-Sessars Water 11%, Red Deb 2012-16 Mail-Sessars Water 11%, Red Deb 2012-16 Mail Create Water 11%, Com. 2012-16 Mail Create Water 11%, Com. 2012-16 Mail Create Comp. 2014, Com. 2012-16 TR City of Lea. Tst. 104, % Com. 2012-16 Tops Estates 104, % Lst Mort. Deb. 2011-16	6 115 151 <sub>2</sub> pm 54 <sub>2</sub> m 261 <sub>2</sub> 1004 272	-31 <sub>2</sub> -11 <sub>2</sub> -1 -1 +11 <sub>4</sub>
Issue	Amount Paid	Lates		867	Ţ	<del></del> _	
Price	150	Date	High	Low	- State	Closing Price	+.or
	•				<del></del>	1	_

WH WH WH WH to promote the prospectus or other official estimates for 1996-7. H Dividend and Yield based on prospectus or other official estimates for 1996-7. H Dividend and Yield based on prospectus or carriers, R Forecas annualised obviolend, cover and ple based on based on these sensitives annual years of the property of the

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES INDICES

tered fresh selling and gave up 10 Weekend comment on the way in to 556p, while Taylor Woodrow fell which the company has been

	EQUITY (				Mond	lay M	farch 30 1987				Fri March 27	Their March 26	Wed March 25	Year ago (approx.)
Fi	gures in parenthes stocks per		number (	of Index No.		Est Earning Yield? (Max.	֓֞֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓	Pross Div. Held % ACT at 19%)	Est. P/E Ratio (Net)	rd adj. 1987 to date	Index No.	Index No.	index No.	ladex No.
1	CAPITAL GOODS					7.4		3.10	17.12	2.72	876.83			726.11
5	Building Material					7.2		3.09	17.27		1089.77		1085.59	826.88
3	Contracting, Cons Electricals (12)	Reportion (	(29)	1463./   2142./		7.0		3.24 3.79	19.51			1487.57 2158.70		1347.80 1972.69
3	Electronics (38).	********		1896.		7.8		2.36	16.81		1942.14		1998.00	
6	Mechanical Engin					8.2		3.56	15.57	1.54	490.62			416.81
8	Metals and Metal	Forming	(7)			7.7		3.37	15.78	0.00	475.35	471.18	472.66	331.77
9	Motors (15)			330.		8.2		3.30	14.04	2.63	336.94			291.33
10	Other Industrial N					6.0		3.39	19.85			1487.14		
21 22	CONSUMER GR					63		2.80 3.27	20.42 15.64	3.03 3.55	1099 62	11,88,55 1096,38	1107 54	949.58 956.25
25	Food Manufactur							3.44	1737	3.66	904.42	901.38	900.65	688.25
26	Food Retailing (1					5.8		2.58	23.73	10.13	2192.15	2199.88	2204.55	1919.19
27	Health and House	hold Pro	ducts (10)	. 2248		4.2		1.72	27.A5		2341.53		2332.32	1579.76
29	Letsure (32), Packaging & Pap			1257.				3.42	22.00		1287.83			946.81
31 32	Packaging & Pap Publishing & Prin	er (14) _	······	606.0   3555.		5.8		2.81 3.28	27.25 22.52	2.03 5.18	618.63 3621.27			463.34 2371.37
34	Stores (37)	iniid /144	***************************************	973.		1 36	- 1	2.80	20,41		1001.99		1029.59	
35	Textiles (17)			710.9		1 73		3.00	15.73	0.44				
40	) OTHER ERCUPS	i (87)		) 982./				3.50	15.51	4.17	1802.22			848.45
41	Agencies (17) Chemicals (21)			(1425.		4.3		1.74	31.08		1455,97			0.0
42	Chemicals (21)			1238.				3.57	15.62			1260.07		913.77 0.6
43 45	Conglomerates () Shipping and Trai			1283. 1985.		6.8		3.43 4.10	17.33			1273.43 2006.72		1655.21
47	Telephone Netwo	whe (2)	£/	978				3.94	14.26			1001.42		1034.79
48	Miscellaneous (2	4)		1363.		8.8		3.32	12.68			1376.85		1033.32
49	INDUSTRIAL GI	ROUP (4	32)	1049.	01 -2.2	7.0	4	3.06	18.00	3.35	1072.76	1067.96	1074.06	875.51
51	Oil & Gas (18)					9.0	0	4.73	14.05	35.18	1927.41	1901.81	1871.82	1194.40,
59	500 SHARE IND	EX (500)	)	1119.	78 -2.2	7.3	3	3.31	17.28	6.14	1145.18	1138.56	1141,48	904.59
61	FINANCIAL GR	DUP(118	)	688.		_	Т	4.28	_	5.94	698.81	697.96	699.16	624.02
62	Banks (8)			718.			0	5.32	7.25	12.84	733.13		737.64	
65	Insurance (Life)			960.9   531.			ĺ	434	-	0.66 5.06	975.32		996.26 538.85	\$87.59 510.84
66 67	Insurance (Compo						a I	4.47 4.59	14.64	13.35	536.39	1202.46	1200.17	
68	Merchant Banks					_	٦(	333		0.71				369,43
69	Property (48)				33 -Li	4.7	9	3.13	27.21	164			959.13	744.05
70	Other Financial (	26)		465.		7.0	2	3.30	18.20	2.35	473.64	461.67	459.47	354.43 <sub>.</sub>
71	Investment Trust	s (95)		975.		_	_	2.43	l	4.64	992,46		989.56	748.38
81	Mining Finance (	2)		4364				3.77	16.76	1.69 10.30	430.54 910.75		409.12 902.37	320.65 702.43
91	Overseas Traders			905. 2004.			<del>•</del>  -	4.94 3.44	13.49	5.97	1025.08	<del></del>		
99	ALL-SHARE IN	IEA(IZI		_		_			- <del></del> -			-		
	1			lnde No				Day's	March 27	March 26	March 25	March 24	March 23	Year
	FT-SE 100 SHAP	E INDE	v		5 461			LOW 7				2064.5		1688.5
	I FI-SE 100 SHAI	IE INDE	^ <del>?</del>	1 2002		12070	- 137		22-10-0	200120		- 200-10		- 20002
	FD	KED	INTE	REST	•	1			AGE GR MPTION	DSS YIELDS	.	Mor March 30	Fri . March 27	Year ago (approx.)
								B.4			-+			<del></del>
	PRICE	Mea	Day's	Fri	mi suit	and seed.	1		sh Gover	erneax 5 years		8.14	8.04	8.27
	INDICES	March	change	Marck	teday	1987		Counc	ns 1	5 years		9.14	8.97	8.63
		30	%	27	1	to date	3		2	5 years		9,76	8,99	8.63
$\neg$	British Government		Ţ			$\neg \neg$		Mediu	m _	5 years		9.18	9.00	9.28 9.02
1	5 years	123.21	-0.28	123.56	- 1	322]	5	Coupo	ns 1	5 years 5 years		9.32 9.32	9.16 9.16	9.112 8.94
	5-15 years		-0.98	143.82	- I	3.32		High		5 years		9.29	9.11	9.33
	Over 15 years		-1.27	152.63	' I	3.45		Сопра	es 1	5 years		9.43	9.28	9.16
- 1	irredeemables		-1.30	167.93	-	1.62	- 9		2	5 years		9.24	9.11 R 99	9.04

87.14 -0.46 87.55 1.56 10.71 10.66 11.31 ng index 2042.7; 10 am 2036.7; 11 am 2036.5; Noon 2028.7; 1 pm 2027.2; 2 pm 2027.0; 3 pm 2014.2; 3.30 pm 2014.3; 4 pm 1996.7

Index-Linked
Inflat'n rate 5%
Inflat'n rate 5%
Inflat'n rate 10%
Inflat'n rate 10%

2.56 3.32 1.93 3.18

9.81 20.13 10.17

2.42 3.31 1.32 3.17

9.70 9.93 10.02

3.70 3.62 2.64 3.46

10.17 10.07 9.97

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

1,62 3.32

0.86

2.15

6 | 5 years....

7 Over 5 years...

122.85 -0.17 123.05

122.41 -0.16 122.60

9 Debesture: & Loans ... 124.32 | -1.05 | 125.64

-0.83 | 139.67

Insta

The second secon

ancita f

And the second s

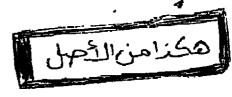
And the second s

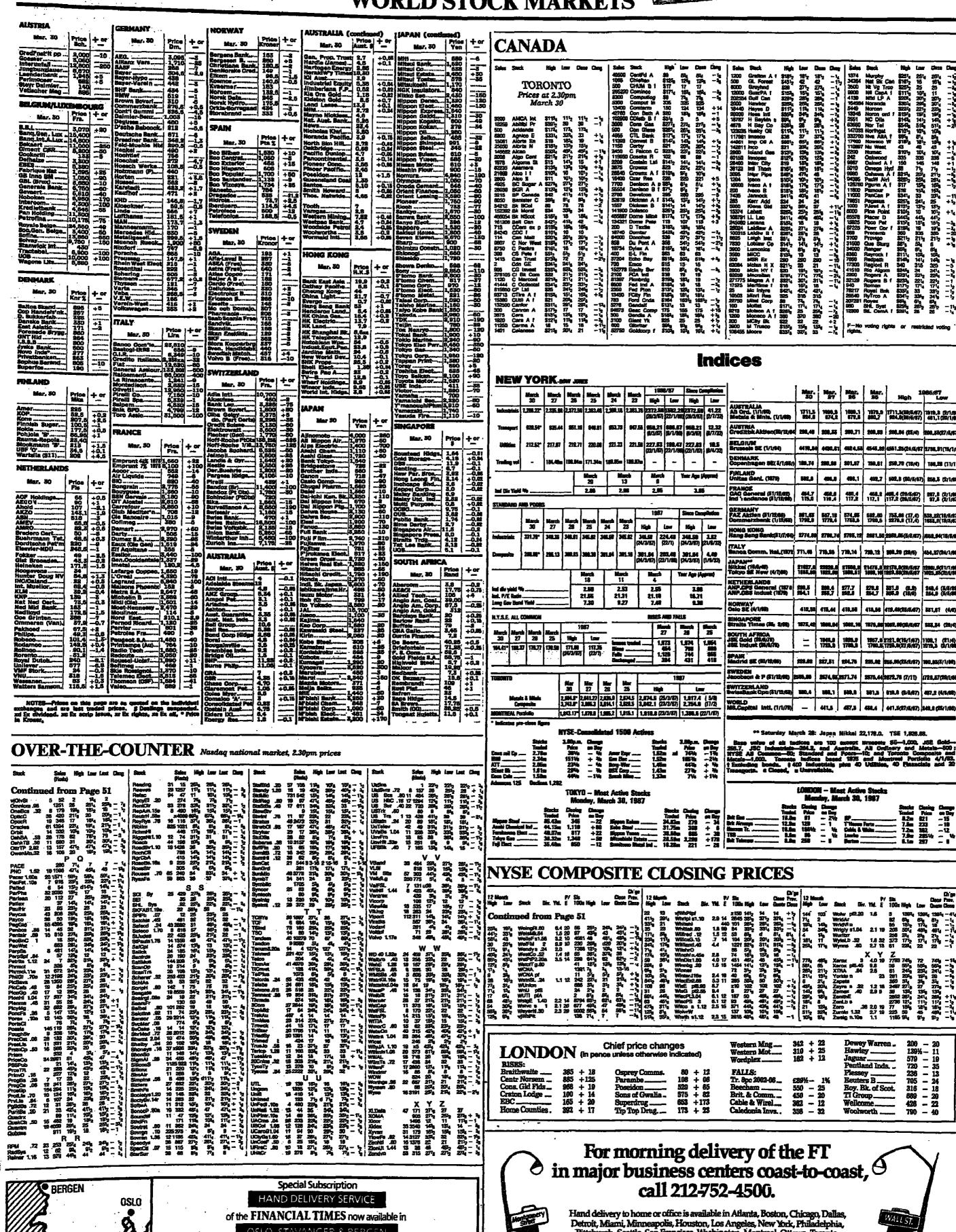
45

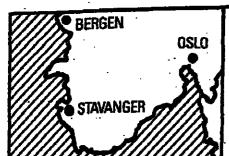
\*\*\* \$240 --\_\_

----

### WORLD STOCK MARKETS







OSLO, STAVANGER & BERGEN

You can obtain your subscription copy of the Financial Times, personally hand-delivered to your office in the centre of the cities indicated, for further details contact: K. Mikael Heiniö Financial Times Scandinava 44 Østergadde DK 1800 Copenhagen or Marianne Hoffmann Narvesen AS Oslo Denmark Tel:(1)134441

العراجة ويعرفون فيرو وولا ووليهم المواكنة ووارين والمعروب والماء والمعروب المراجع والمعروب والمراجع والماع والمعروب المتعرف والمعروب



© FT Publicati

Hand delivery to home or office is available in Atlanta, Boston, Chicago, Dallas, Detroit, Miami, Minneapolis, Houston, Los Angeles, New York, Philadelphia, Pittsburgh, Seattle, San Francisco, Washington, Montreal, Ottawa, Toronto, Vancouver. Please call for details between 9am-6pm New York Time.



Because we live in financial times



Stocks Closing Tended Price #.2m #21 7.5m 233 7.2m 382 7.5m 285½ 6.1m 287

72 55% 23% 19% 3% 21% 111% 18% 45 9% 747<sub>6</sub> 555<sub>9</sub> 241<sub>4</sub> 20 33<sub>4</sub> 255<sub>8</sub> 117<sub>6</sub> 181<sub>9</sub> 483<sub>4</sub> Sh<sub>2</sub>

Financial Times Tuesday March 31 1987

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Craig
Cranie \$ 1.20 3
CrayRs
C GATX 1.59 3.5 18
GCA (
GEICO 1.36 1.1 10
GEO 738
GF Cp 57
GTE p 2 44 6.1 11
GTE pl 2 6.1
GEICO 1.36 1.4
Gallitou Gannest, 92 2.0
Gap s 5.0 9. 29
Georbit 2.0
\$ 122 494 125 1 12 11236\_10-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
103570-64
1035 

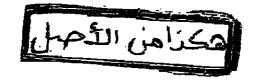
Kidder, Peabody Securities

Market Makers in Euro-Securities

An affiliate of Kidder, Peabody & Co

New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo

Founded 1865 • Member SIPC



# NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

	12 Manth	
	High Low Stack Div. YM. E 160s High Low Owns Clear Prov.    12 Month   P/ Sts   Clear Prov.   12 Month   P/ Sts   Clear Prov.	P/ Sits P/ Sits P/ Sits Stanck Div E 100s High Low Close Charge Stanck Div E 100s High
	331g 265g NikSo wf 25 3114 307g 3114 - 12 355g NikSo wf 25 3114 307g 3114 - 12 35g NikSo wf 25 3114 307g 3114 - 12 35g NikSo wf 25 3114 307g 3114 - 12 35g NikSo wf 25 3117 2534 255g 267g - 16 35g NikSo wf 25 3117 2534 255g 267g - 16 35g NikSo wf 25 3117 2534 253g 267g - 16 35g NikSo wf 25 3117 2534 253g 267g - 16 35g NikSo wf 25 3117 2534 253g 267g - 16 35g NikSo wf 25 3117 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 267g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 317 2534 253g 253g 253g - 16 35g NikSo wf 25 253g 253g 253g - 16 35g NikSo wf 25 253g 253g 253g - 16 35g NikSo wf 25 253g 253g 253g - 16 35g NikSo wf 25 253g 253g 253g - 16 35g NikSo wf 25 253g 253g 253g 253g 253g 253g 253g 2	Stack   No.   E   100s High   Lew Close Clarge   Lew Close Clarg
\$3 5	33's 26's NRSo wf 55 311, 307, 311, -1, 251, 26's 26', -1, 251, 251, 251, 251, 251, 251, 251, 25	ACipi 1.20 18 14°s 14°s 14°s 14°s 14°s 14°s 14°s 14°s
	2814 174 NewHill 176 6.8 9 2734 2814 2814 2814 2814 174 NewHill 176 1816 1816 1816 1816 1816 1816 1816	Alphain 160 74 71 71 10 Diodes 20 31, 51 31 117 117 24 Interest 32 32 34 35 133 135 +3 101 117 117 24 Interest 32 31 117 117 117 24 Interest 32 31 117 117 24 Interest 32 31 117 117 117 117 117 117 117 117 117
	AUS 23's NoS9 #1.90 5.6 11 1011734 33's 13's 13's 13's 13's 13's 13's 13's	Abrana 64 3111 317; 29% 315-1  Amount 20 44 4123 365; 25% 315-1  Defined 3781 5; 13-16 13-
	45 356 MAPMI 2376 8.7 128 41 474 4614 4614 4614 4614 4614 4614 46	Alternal 316 10 221 251, 284 315 17 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	234, 173, Noseth 7.6	Armdarh 20 44 4123 385 385 385 385 385 385 385 385 385 38
Paj	427 2819 Novo: 346 9 13 676 3894 374 3894 -174 6651 2827 Novo 316 2816 2816 2816 2816 2816 2816 2816 28	Astrong 20 3363 105 101 101 + 1 Espey 40 15 4 187 185 187 Lastand 15 4 187 188 187 Lastand 15 4 187 187 187 187 187 187 187 187 187 187
	281 Norman and the second seco	Atterin 28 1284 2874 2874 2875 2772 - 58 F
2 - 1	Sign 3 Modeling 120 25 54 225 687 477 48 -1 20 25 54 225 687 477 48 -1 20 25 54 225 687 477 48 -1 20 25 54 225 687 477 47 175 +7 20 25 25 425 25 425 25 425 25 425 25 425 25 425 25 425 25 42 25	Allesset 181 u 94 64 52 + 1 Pidata 2 20 5 8 8 8 Listent 12 809 52 75 84 - 6 StratW 2 11, 112 112 112 112 112 112 112 112 1
	12	B B  BAT .20s 2478 8 9 16 25 25 - 3-16  FAURENTS 118 27 25 25 28 26 26 27 25 25 25 25 25 25 25 25 25 25 25 25 25
	37 Ohte 07.24 9.5 324 206 20 207 - 5 47 287; Rilans 2 20 1025 435 42 425 - 16 54 2 170 one #2.38 7.0 810 35 335 34 - 11 8 832 881; Ohte 07.36 9.3 333 781; 781; 78 78 - 25 281; 781; 78 78 - 25 281; 781; 78 78 - 25 281; 781; 781; 78 78 - 25 281; 781; 781; 781; 781; 781; 781; 781; 7	Black at the er ten
3	911 74 Oriest pris.20 9.2 244 8854 87 8854 5-1 2375 127 Ropers 3.48 1.51 1875 1874 1875 1875 1875 1875 1875 1875 1875 1875	Sign   A   18   87   161   151   1
e Çin Ola	222 11% Oriente 7-0 2.0 28 406 20% 157 20 -5 1277 70 Reput pt 2.73 20 20 20 20 20 20 20 20 20 20 20 20 20	Shorman
	222 11% Originary 40 2.0 28 408 2014 1974 20 -5, 1277, 7014 Royth 5.226 45.14 5929 117% 116 1169, -23, 137 110 1170 1170 1170 1170 1170 1170 1	Blownist 4.5 30 47 147 - 14
• { • }	849 250 Olef pictor pic	CastiA 8th 471 5 16a
्र व	531, 579, Olin 1,40 3.3 14 700 481, 481, 483, -172 15 15 696 Omnores 1,17 10 10 2478 18 157 183, -134 185 185 -134 185 185 -134 185 185 -134 185 185 185 185 185 185 185 185 185 185	Chroph 72 19 125 57 55 559 - 150   Halmi 18 539 45 34 354 354 1 19 110 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	3654 256 Octon 76 28 22 273, 2772 - 72 125 872 St. Ind. 175 1.5 14 12 105 1072 1083 82 2774 - 12 125 872 St. Ind. 175 1.5 14 12 105 1072 1083 82 2774 13 680 3472 3234 33 - 174 13 680 3472 3254 33 - 174 13 13 680 3472 3254 33 - 174 13 13 13 13 13 13 13 13 13 13 13 13 13	Contim 40a 14 18 237; 23 23 - 5   thresis 1.67e 79 211, 21 21 - 1   OEA 15 27 205 2376 239 - 5   Wang 1.1   40a 15 17   17   17   17   17   17   17   1
•	383, 25% Orient .76 2.8 22 27% 27% 27% 27% 27% 27% 27% 27% 27%	Children 24 17 233 25 25 26 25 1 1 1 1 25 125 1 1 1 1 1 1 1 1 1 1 1
	307 87 000000 50 22 16 225 225 225 227 -5 27 27 20 20 225 227 -5 27 27 20 20 225 227 -5 27 27 20 225 227 -5 27 20 225 227 -5 27 225 227 -5 27 225 227 -5 27 225 227 -5 27 225 227 -5 27 225 227 -5 27 225 227	CmCP 2 1774 1774 174 174 174 174 174 175 175 175 175 175 175 175 175 175 175
	P Q 1772 812 28% 28% Phil 1.04 2.7 18 132 38% 37% 38 -7 8 1 43 Saint 12 87 134 27% 13 -1 24 14% Tuther # 38 1.9 18 483 18% 18 187 -7 8 1484 28% PPG 8 1.08 24 17 4075 45 48% 44% -1% 51% 45% 53416M 35 5 24 536 78% 78% 78% 78% -1% 11% 11% 11% 11% 11% 11% 11% 11% 11	Cubic .39 54 165 20% 194 20% - 5 Hownes 25 540 25% 35% 35% 55% 7 1 Presch .05 2 6 5% 5% 7 2 X X Z Curtice 1.04 17 45 36% 35% 35% 35% 35% 35% 35% 35% 35% 35% 35
	589 45 Packing 3.48 5.3 36 801 57 545 55 -13, 92 578 Shuani 840e 4.8 473 578 8 81, 3512 18 UAL 1 1.8225 8184 58 55 5512 -212 1778 1278 Packins 11 208 1674 18 1815 -58 129 874 Shuani 840e 4.8 473 578 8 81, 3512 18 UCCEL 30 371 323, 301, 301, -212 2778 Packins 11 208 1674 18 1815 -58 129 874 Shuani 820 201 115 1112 -12 2778 1774 UCC 8 220 8.7 8 262 253, 244 253, -14 278 278 278 278 278 278 278 278 278 278	OVER-THE-COUNTER Nasdaq national market, 3pm prices
9,		······································
	25° 14′ Parcel <sup>27</sup> 21′ 186 25° 25′ 25′ 25′ 25′ 18′ 19′ 19′ 19′ 10′ 10′ 10′ 10′ 10′ 10′ 10′ 10′ 10′ 10	Stack Sales High Low Last Chang (Hands) Stock Sales High Low Last Chang (Hands) Stock Sales High Low Last Chang (Hands) (Hands) (Hands)  LDCs 15 133 161, 161, 161, 161, 161, 161, 172 Chiron 1720 33 311, 311, -12, FABRA 40b 18 305 121, 173, 173, 173, -5, K
	774 4 PanAm 3579 672 414 452 + 1 65 150 Service 1 120 113 132 133 225 USS 103 152 133 134 135 135 135 135 135 135 135 135 135 135	ASK 28 1145 145 145 145 145 5 Chitend 1.15 16 14 50 487 487 1 PAFIN 1s 7 142 67 65 67 + 5 KLA 36 1015 227 215 215 215 7 1 11739 165, 155 165 105 105 105 15 15 15 15 15 15 15 15 15 15 15 15 15
	11 36 Pardyn	Ching   Chin
	3	
	27/2 15/5 PayCah :16 .5 20 1397 25/5 24/5 25 -7/1 16/6 95/5 SaaC pfC2-10 14. 12 14/6 14.5 14.5 14.5 14.5 14.5 14.5 14.5 14.5	History 15 408 101, 51, 51, 234, 251, 251, 251, 251, 251, 251, 251, 251
	439 5114 Parl 2.88 6.7 13 592 597 597 597 597 597 597 597 597 597 597	Marker   M
	964, 78 PaPL pr 8 8.3 x100 96 98 86 +1, 1062 1024 Sear pi8.52a 6.3 50 103 103 103 -1, 255 22 Unit pi2.73 8.3 2 255 255 255 -1, 1062 1024 Sear pi8.52a 6.3 50 103 103 103 -1, 255 22 Unit pi2.72 9.9 2 273 273 273 273 273 273 273 273 273 2	Unicent 49 11 20 124 127 127 129 129 129 129 129 129 129 129 129 129
	264 197 People 1.44 6.4 10 1306 23 225 25 25 25 25 25 25 25 25 25 25 25 25	Sintr 50 7 191 144, 14 144, Condition 31 145, 145, 145, 145, 145, 145, 145, 145
•	53 28 Papilory 22 4 32 663 513 46 46 -23 1 22 23 25 46 23 22 23 25 47 80 152 513 46 49 -23 1 25 46 23 22 23 25 46 23 22 25 25 25 25 25 25 25 25 25 25 25 25	NainLi 40 10 337 14% 14% 14% 14%   Colleges 47 233 15 14% 14% - \$   FSecC 1:0 63 85 25 25% 25% 25%   Lawrens 28 20 x270 28% 28 28 28 28 28 28 28 28 28 28 28 28 28
	38 25 Penter pril 50 4 3 m 8 37 38 38 37 + 1	Middle   143   67
	271 0 Parken 438t 3.7 25 985 271 271 272 1 275 277 1 145 7t 2 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Indicate   44   11   22   224   125   12
	63 4874 Philipper 5 3.8.5 117 59 574 584 -1 20 3014 -13 20 3014 -13 20 20 20 20 20 20 20 20 20 20 20 20 20	Images 220 11 230 684 575 575 4014 387 38 - Pa Cameric 220 11 230 684 575 575 - Ai Florer 246 523 754 714 719 - I Lotums 21 2718 2714 2714 18 18 18 175 175 - Ai Florer 25 18 18 18 175 175 - Ai Florer 25 18 18 18 175 175 - Ai Florer 25 18 18 18 18 18 18 18 18 18 18 18 18 18
	237 174 PRIMEDIZ20 9.79 3824 23 227 235 -13 131 112 755 50168 3 2.91 5 1827 10158 1 1014 10152 -25 31 2 25 112 1014 111 2 75 50168 3 2.91 5 1827 10158 1 1014 10152 -25 31 2 25 112 1014 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	nerica .08 12 1030 225, 201, 21 - 11, Cresults.60 12 221 30 255, -15, methods.05 12 1030 225, 201, 21 - 11, Cresults.60 12 221 30 255, -15, methods.05 154 191, 191, 191, 191, 191, 191, 191, 191
•	49 38 PhE pfC4.40 9.5 x100 46ft 46ft 46ft 46ft 46ft 46ft 46ft 46ft	politic 11 165 35% 32% 32% 1% CmpCrs 38 19 778 144 13% 13% 34 5 1 15% 35% 32% 32% 32% 1% MadSE2 38 12 104 35 34% 34% 1 15% 15% 15% 15% 15% 15% 15% 15% 15%
	134 107g PhE p871.33 11. 28 123g 124g 124g 124g 124g 125g 137g 137g 137g 137g 137g 137g 137g 137	pidBio 34 2818 274, 2854 279, - 14 CCTC
	134 110 PhE ph15,2314. 250 1111; 111; 111; 111; -7; 354, 254 Southon 15 29 43 345; 347 347 347 24, 1225; 15WR s. 92 4.4 17 94 22 21 21; -4 As 103 89 PhE ph15,234 250 1011; 1011; 1011; 1011; -7; 354, 250 818; 357 347 347 347 347 347 347 347 347 347 34	rgeory 25 40 23 22/2 22/2 4 CACAD2-488 79 15 142 15 142 15 142 15 15 15 15 15 15 15 15 15 15 15 15 15
-	85 68 PRIE pff7.75 9.5 250 81 81 81 - 11 23 30 30 30 25 25 30 9 25 3 25 3 3 4 25 25 25 25 25 25 25 25 25 25 25 25 25	## SGLs-1-80 15 605 25 24 2 24 2 42 24 2 4 2 4 2 4 2 4 2 4
	124 170 PRE pfM15.2514. 250 11114 1114 1114 1114 1114 1114 1114 1	Second   S
	451, 335, Philipp 9, 15 67 421, 415, 425, -5, 16 504 504 17, 132, 79, Philipp 1 325, Philipp 1 35, 79, 81, -1, 16 63, 504 507, 133, 105, 107, -1, 108, 108, 108, 108, 108, 108, 108, 10	ATT 28 6 200 11 107 107 107 10 2 107 10 2 107 10 2 107 10 2 107 10 2 107 10 2 107 10 2 107 10 2 10 10 10 10 10 10 10 10 10 10 10 10 10
	11 72 PHGRG .178 1.9 134 876 85 65 65 1279 SWESSER 35 5.0 18 1888 254 255 255 255 255 255 255 255 255 255	B B C C72Eds 15.5388 779 779 779 779 179 1 22.278 2276 2276 2276 2274 2274 2 2
	46° 27' Piny8 s.76 1.8 20 2202 45 41% 41% -1% 304 152 Sperion 2 371 105 105 105 1 41% 26 VF Cps .72 1.9 19 1205 39 36% 36% -1% 152 105 21% 25% 25% 25% 21% 2 15% 1 15% Vain 5 1967 0 5° 5% 5% 5% 5% 60 20% 25% 25% 25% 25% 25% 25% 25% 25% 25% 25	atBops 40 26 889 224 211 211 - 1 Cultum 50 15 105 284 254 - 4 Greet 29 200 225 211 212 - 1 Mentors 39 4555 255 144 147 - 1 Rentors 39 4555 255 155 144 147 - 1 Rentors 39 4555 255 254 147 147 - 1 Rentors 39 4555 255 254 247 254 - 1 Rentors 39 4555 255 254 247 254 - 1 Rentors 39 4555 255 254 247 254 - 1 Rentors 39 4555 255 155 144 147 - 1 Rentors 39 4555 255 254 247 257 - 1 Rentors 39 4555 255 254 247 257 - 1 Rentors 39 4555 255 254 247 247 247 247 247 247 247 247 247 24
	14 Sq. Playboy 198 138, 177 13 - 1 1884 909 8quibb 2.40 1.4 17 3842 1465, 143 1444 - 43, 225, 227 ValMG in 322 227 227 17224 - 1 184 224 227 227 185 185 23 217 227 227 228 23 24 25 25 27 2 25 24 25 27 2 25	Nastas 48 71 21 165- 1614 1674   DD D H H Marshos 79 11 29 2614 261 - Ա ndcFai 9 51 165- 1484 1514 + 5 DSA 17 31 1814 19 19 - 5 HBO 1138 854 816 814 - 14 Marchits 68 12 168 2814 28 2854 - Ա ndctri 20 32 1 357- 357 - 19 DNS-ngs 5 65 1674 1574 1584 - 15 HBAO 57 65- 616 65- 15 65- 15 85- 14 Marcdon 24 18 159 23 2272 225- 14
= 	85's 56's Polarisi 20 1.7 21 2747 71; 65's 70's -15 11 63's SFBk n 897 97; 67's 67's 27's 98 22 15 288 40 387 389; -1 25's 18's SMotr 32 1.5 15 684 21's 21's 21's 21's 21's 21's 21's 21's	anta .44 15 128 274, 204, 204, - 34 DNA PI 1950.994 144, 1335 135 - 15 HPSC 15 2 13 13 13 - 15 Mirdin9s 1 10 251 2475 2475 2475 3475 134 13 13 13 - 15 Mirdin9s 1 10 251 2475 2475 2475 3475 134 13 13 13 13 13 13 13 13 13 13 13 13 13
- केंग्र - 1,64 - 1,85	289 265 PortG pt2.00 9.2 4 281, 283 819 - 1, 524, 281, 281, 281, 281, 281, 281, 281, 281	ayVw 558 1478 1479 1479 59 Dartop 15 14 771 170 18719 188 - 3 Harleys.222 5 185 1776 1714 - 5 Metric 8 189 2412 2314 2314 - 3 AySts 1.44 10 186 43 4214 4278 - 5 Dartop 129 179 129 129 129 14 Harpús 17 39 157 1679 1679 1679 1 Metric 19 2319 279 2216 - 74 Seator 8 99 77 774 774 - 14 Ordio 2 49 1015 978 978 978 - 5 Harleys.220 5 185 189 2878 2574 - 1 Metric 19 2319 2798 2216 2216 - 74 Seator 8 99 772 774 774 - 14 Ordio 2 49 1015 978 978 - 5 Harleys.220 5 185 2578 2574 - 1 Metric 19 2319 2798 42 4774 47 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	25 17- Premit n. 106 A 216 271 271 271 271 271 271 271 271 271 271	enthys 24 14 840 350 330, 330, 330, 150 Daysins 10 426 131, 150 33, 331, 150 Harvin 15 604 270, 257, 270, 110 MicrTc 3384 74, 62 7 mid-mid-mid-mid-mid-mid-mid-mid-mid-mid-
	40 651, Fremish 44 12 04 130 377 357 357 357 357 357 357 357 357 357	NCLD 1.460 21 411 451 4714 4714 4714 114 Dekalls 282 215, 213 215 18 Hithelyn 211 45, 45, 47 McStr3t 4612 851, 882, 882, 882, 883, 883, 883, 883, 883
(1) (1) (2)	2572 6573 Process 2.70 2.0 21 6501 921 6901 911 - 25 136 250 5500 FT 9 5 5 5 5 5 5 6 7 7 2 5 5 6 6 7 7 2 5 6 7 7 2 6 7 7 2 6 7 7 2 6 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 7 2 7 2 7 7 2 7 7 2 7 7 2 7 7 2	ogen 1473 1234 1712 1785 **3   Dipter 189 11 51 2254 23 2554 **1 Hoppen 453 1575 1572 157 1572 157 1575 1575 1575 1
	17, 11, PruRic 4 178 15, 11, 15, 15, 15, 15, 15, 15, 15, 15,	ISM 17 31 23 224 23 - 4 DigitCm 18 1784 38 344 55 - 11 HmeCty 10 118 214 21 21 - 1 MobiCA 67 108 23 255 255 255 - 1 DigitCh 803 84 56 57 - 1 HmeCty 10 118 214 21 21 - 1 MobiCA 67 108 23 255 257 25 250 251 251 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	15 81 PSIn pR31.04 8.4 2300729 121 125 271 StudRt 88 2.5 16 377 357 351 51 - 2 371 259 Walgram 54 1.5 22 971 359 352 - 2 866	Thomas I 17 202 34 251, 251, 251, 251, 251, 251, 251, 251,
Sec.	09 70-2 PSIn 0878.32 8.9 2200 883, 951, 951, 951, 951, 951, 951, 951, 951	The survey of th
15. 16. 17.	234 17 PSWH PR 2 2212 2212 2212 2212 2212 2212 2212	SpCan
े 2 2	114 215 PNH PD 4 2412 2412 -14 818 2 SumMin F11.19 13. 728 918 84 84 87 84 8 85 87 87 88 84 87 87 88 84 87 88 88 87 88 88 88 88 88 88 88 88 88	INTRIA 36 TO 144, 136, 14 - 12 Dyneto 11 286 144, 157 <sub>8</sub> 137 <sub>6</sub> - 3, tensem 554.37-16 34, 35-16 - 1-16 NACRE 15 311, 301 <sub>2</sub> 311 <sub>8</sub> + 1 <sub>8</sub> tensem 15 28 201 <sub>2</sub> 138 <sub>4</sub> 154, - 1 Dyneto 15 415 25 331 <sub>2</sub> 331 <sub>8</sub> - 1 <sub>8</sub> tensem 1419 187 <sub>2</sub> 18 188 <sub>4</sub> - 7 <sub>8</sub> NEC .23e 90 645 465, -53 <sub>8</sub> MA 1.10 25 273 <sub>8</sub> - 7 <sub>8</sub> NEC .23e 90 645 465, -53 <sub>8</sub> MA 1.10 25 273 <sub>8</sub> - 158 <sub>8</sub>
4 7	27 345 PS-EG 2.00 7.5 14 5908 40 39 397 12 157 349 227 349 22 157 158 15 15 16 17 42 20 West, n. 40 1.2 17 533 343 354 354 354 354 354 354 354 354	Administration 13 46 30°2 30 30 Earth Age 12 57 10°4 3°2 10°4 4°4 10°5 11°54 57°4 36°4 36°4 36°4 36°4 36°4 36°4 36°4 36
7 1 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	03 86 PSEG pi8.16 8.1 220 101 101 101 101 39 24½ Sysco 20 8 28 352 354 355 352 -4 116 ¼ Vividor 20 252 252 252 252 252 252 252 252 252	is .18 23 103 22½ 22½ 2½   Extract
9 9 3	32, 117 PSEG PROB 9.0 220 80 80 90 90 -12 534, 364, 110K A46 1.1 14 323 40 6895 39 -34 15 15 15 15 15 15 15 15 15 15 15 15 15	105:1200 25 830 401 301 301 301 301 105 101 101 101 101 101 101 101 101 1
2 3 2	As 161 Pueblo 20 .9 13 111 229 2112 118 119 1.39 6.0 12 117 229 224 23 5 Suies figures are unofficial. Yearly highe and lows reflect the Calls 117 229 229 229 229 229 229 229 229 229 22	1865 21 249 10 91, 91, 91, 91, 91, 91, 91, 91, 91, 91,
. 2 3	51 1019 Pulselette 2 8 19 651 151s 144s -7s 145s 147s -7s 151s 147s -7s 147s 147s -7s 151s 1019 7.50 1.1 16 528 27's 251's 27' - 1 per cent of more shown for the new stock only. Unless otherwise Care 51 15 Purelett 641 361s 351's 351'	15 786 301, 273, 30 - 1, 100, 101, 101, 101, 101, 101, 101
<b>₩</b> 1 31	76 11 CMS 77 154 154 154 155 1559 3012 Tandy 251 5 20 2005 459 454 475 171 171 171 171 171 171 171 171 171 1	Figure 484 207 194 197 5 1 Course 40 207 194 197 5 1 Course 40 207 194 197 5 1 Course 40 12 67 297 274 284 1 4 InDarr    House 25 733 194 195 185 1 1 Course
5 12 12 42	25 1112 CartVI n 687 1119 01101 1116 = 12 25 2514 281 Teldyn 4b 1.2 16 281 35514 3214 - 1315 2514 2514	1974 52 1327 279 144 267 79 Evrisut 25 314 355 33 334 - 2 ATTAINING 13 49 16 174 174 174 17 NoScience 142 27 204 201 - 34 185 185 185 185 185 185 185 185 185 185
Al Z	Til. 221: CBRell 32a 9 14 503 307 344 25 14 25 15 15 CBRell 32a 9 14 503 307 344 Temple.72 9 23 373 78 15 24 453 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 24 2414 501 353 Temple.304 65 4427 457 458 453 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 24 2414 501 353 Temple.304 65 4427 457 458 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 24 2414 501 353 Temple.304 658 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 24 2414 501 353 Temple.304 658 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 24 2414 501 353 Temple.304 658 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 241 2414 501 353 Temple.304 658 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 241 2414 501 353 Temple.304 658 2 9 paid this year, omitted, deterred, or no action taken at latest Central 15 CBRell win 4 241 241 2414 501 353 Temple.304 658 2 9 paid this year, and the central 15 CBRell win 4 241 2414 501 353 Temple.304 658 2 9 paid this year, and the central 15 CBRell win 4 241 2414 501 353 Temple.304 658 2 9 paid this year, and the central 15 CBRell win 4 241 2414 501 353 Temple.304 501 353 Tem	nitin 21 253 167 165; 164 - 15 2254 27 17 17 17 17 18 240 11 25 25 25 25 25 25 25 25 25 25 25 25 25
10 65 12	9 67 RBInd .04 .4116 93 914 87 814 -19 100 854 Tenc pr.7.40 (.5 19 200 24 23 25 -7 past 52 weeks. The high-low range begins with the start of CFId 15 18 18 18 18 18 18 18 18 18 18 18 18 18	ddix 36 77 163 324 312 312 312 312 312 313 13 13 13 13 13 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15
11 47 39	75 85 PLC 20 2.1 17 289 854 874 874 1875 1880 1880 381 25 829 361 353 351 352 35 depth action of spill. sits = Cont. 14 PPC 70 476 454 44 40 285 Texaso 3 8.2 12 8429 361 352 351 351 351 351 351 351 351 351 351 351	10.1 47 300 429 28 28 2 - 11 FedGrp 17 13.11 51 40 51 + 11 Inches 12 33 2325 27 2 28 27 - 3 1 FedGrp 17 13.11 51 40 40 40 40 40 40 40 40 40 40 40 40 40
1/ 85 11 51:	75 78 Radice 431 237 88 89 78 33 16% leafun.75 22 22 23 48 34 5 76 massed cash value on exceptional of exception of exceptional of exceptional of exceptional of exceptional of exception of exceptio	THE STATE OF THE S
47 39 17 83 11 57 14 25 37 13 84	Fig.	Pac. 154 21 355 454 454 451 151 151 154 Finigen 1582 181 183 - 1 Jones A. 150 161 152 151 - 3 VALUE IN STATE OF THE PAC. 151 151 151 151 151 151 151 151 151 15
13 84 37	16 41 Payone 1.80 2.3 15 3373 774 75% 75% - 184 7774 55% Textr pr2.08 2.5 1 75% 75% 75% - 184 7774 55% Textr pr2.08 2.5 1 75% 75% - 184 7774 55% Textr pr2.08 2.5 1 75% 75% - 184 7774 75% 75% 75% 75% 75% 75% 75% 75% 75% 75%	2 939 SQ 33 33 -2 FELARED 180 9 170 49 484 484 - 4 Justin ,40 12 40 154 164 154 164 154 164 155 164 155 164 155 164 155 164 155 164 155 164 155 164 155 164 155 165 165 165 165 165 165 165 165 165

AMERICAN

### Fears of trade war spark wave of selling

WALL STREET

THE PLUNGING dollar triggered a wave of selling on Wall Street yes-terday before stock prices found some support at sharply lower lev-els, writes Roderick Oram in

all day. The bearish mood stemmed from fears of rising inflation and worries that Washington's retaliation against Japanese semiconduc-tor trade could provoke wider protectionism which would damage profits and perhaps cause a reces-

The Dow Jones industrial average plunged 80 points in the first hour of trading as many investors sold shares to realise the profits they have made during the mar-ket's spectacular rally this year. Foreign investors, including the e, were at the forefront of yesterday's heavy volume with 70m shares traded in the first hour, the second-busiest opening hour ever. The record of 82m shares was set in

By mid-morning, the selling spree had abated as investors took cautious wait-and-see attitude. The Dow industrial index staged a partial recovery which it main-

The index closed down 57.39 points at 2,278.41, the third largest drop ever in points terms. Broader market indices followed a similar trend with the Standard and Poor's 500 index shedding 6.93 points to close at 289.20. New York Stock Ex- such short maturities. The greatest change volume was 208,8m shares.

conductor and computer stocks fell sharply on worries that Washington's retaliation against the Japanese could have negative repercussions. Shortly before the close, Motorola was off \$1% to \$53%, National Semiconductor was off \$% to \$14%, Intel lost \$1% to \$39% and Advanced Micro Devices had given from Japanese producers, was up

Among computer makers, Digital Equipment dropped \$3% to \$157%, Unisys lost \$2% to \$97%, Cray Research gave up \$2% to \$120% and Hewlett-Packard fell \$1 to \$56%.

\$152%. Industry observers believe prices into a broad retreat. IBM's unveiling on Thursday of its newest family of personal computers is IBM's most important new product announcement in that mar-ket since entering it in 1981. The new family should pose a considerable threat to makers of "clone"

Drug stocks suffered in yester-day's currency-related downdraft even though they had benefited in recent months from a falling dollar which should boost their exports. Merck fell \$4% to \$154, Squibb lost \$3% to \$145%, Upjohn gave up \$4 to \$118, Eli Lilly dropped \$2% to \$92% prices firmed slightly.

and Abbott Laboratories fell \$1% to

Row jumped \$8% to \$64% on news that a unit of Mr Rupert Murdoch's News Corp had agreed to take over the publisher at \$65 a share, roughly double the share price before bidding contest started a few weeks

ago. Santa Fe Southern Pacific rose \$1% to \$38 on heavy volume after Henley, down \$% to \$26, had declared a stake in the railroad and

energy group. Sci-Med Life Systems rose \$3% to \$27% in the over-the-counter market. The manufacturer of disposable medical equipment agreed to be taken over by Bristol-Myers, which fell \$1½ to \$100%, through a swap of 0.285 of a Bristol-Myers share for each Sci-Med share.

American Express, down \$2% to \$73% in ex-dividend trading, announced a target price of \$34 to \$38 a share for its public offering of shares in its Shearson Lehman bro-

Other brokerage stocks gave up ground on fears that the turmoil in stock and bond markets could affect their earnings.

Credit markets were shaken by the collapse of the dollar overnight in Tokyo. US government bond prices fell in sympathy as markets slacker volume.

prices fell in sympathy as markets expected the weakness of the US currency to reduce foreign demand. particularly Japanese - for the securities. Last week's \$25bn Treasurv refunding was little affected by the dollar's weakness because demand impact yesterday was on long maturity bonds which are the staple of Japanese investors. At its worst the price of the 7.50 per cent benchmark Treasury long bond was down 2 points in late afternoon at 96% at which it yielded 7.83 per cent.

Against this background, markets will watching carefully this morning's release of February's inup \$% to \$19%. Going against the dex of leading economic indicators. trend, Texas Instruments, which A rise of about 0.6 per cent from will benefit substantially from re- January's surprising 1 per cent fall cently negotiated royalty payments is the median estimate of econo-

#### CANADA

THE DOLLAR'S fall spurred in-In contrast, IBM rose \$1% to tense selling in Toronto to push Worries that the lower dollar

rates hit banks particularly. Toronto Dominion Bank lost C5% to C528. the Bank of Nova Scotia fell C\$1/4 to C\$18% and Canadian Imperial Bank of Commerce lost C\$\% to C\$21\%. Royal Bank of Canada was C\$% down at C\$33%

Gold stocks, boosted by the healthy bullion price, were an exception. Dome Mines rose CS% to C\$17%, and Hemlo Gold picked up

Montreal declined, but Vancouver

\$420.75

\$418.75

\$414.43

### **American Express** details Shearson offering

By Anatole Kaletsky

AMERICAN EXPRESS filed details yesterday of its public offer-ing of an 18 per cent stake in Shearson Lehman Brothers, the third-largest investment bank on

American Express said it would sell 18m shares in Shearson at a price of between \$34 and \$38, suggesting that it hopes to receive net proceeds of around

The public offering is part of a complex deal, announced last week, in which American Express will also sell a 13 per cent stake in Shearson Lehman to Nippon Life, Japan's largest life insurance company, for \$41.50 a share or \$538m. A further 8.5 per cent of Shearson will be made available to the investment bank's employees through a combination of employee purchases and incentive schemes.

Life and employee stock pur-chases will be used entirely to boost the capital of Shearson Lehman while American Express will receive the money raised by the public stock offering.

No specific date has been set yet for the public stock offering, but American Express said it expected to proceed in four to six

Of the 18m shares in Shearson Lehman to be sold to the public, 14m will be offered in the US through a group of underwriters led by Shearson Lehman itself, Bear Stearns, First Boston, Morgan Stanley, Merrill Lynch and Salomon Brothers. The other 4m shares will be offered outside the US by a syndicate led by Shearson Lehman International.

Of the 8.5m shares to be made available to employees, 5m will be issued to 290 Shearson Lehcancellation of their rights under the present Shearson profit shar-ing programme, which is linked to the value of American Express

A further 25m shares will be sold for cash to Shearson emyees at a price linked to that of the public offering, and a further 1m shares will be sold to a newly formed employee stock

In addition, options to purchase a total of 35m shares, some with transfer restrictions and "golden handcuffs" attached, will be granted to key Shearson

After all the transactions are completed, American Express will retain a 60.5 per cent stake in Shearson, and its agreement with Nippon Life provides that it will not reduce this stake to less than 40 per cent before January

John Griffiths in London reports on the route taken by a racing car maker to the stock market

## Forward March heads for the USM

the Indianapolis 500, the top US mo-consultancy work. being floated on the London unlist- its of £1.6m on turnover of £11m. ed securities market (USM).

De Zoete and Bevan aims to "it is a pretty odd flotation."

launch the offer, which is expected Based at Bicester in Oxfordshire, to value the company at about £14m March makes a small range of cars, (\$22.4m) early next month so that the most popular of which sells for the Brazilian Grand Prix on April not include an engine.

by about one third, his holding will di car. fall to about 60 per cent.

MARCH ENGINEERING, the UK Herd, with the rest allocated to deracing car maker which has won velopment of March's engineering

tor race, for four years in a row, is In 1986, March made pre-tax prof-"At first sight," concedes Mr Herd

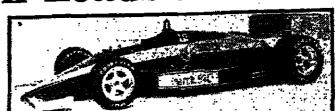
trading can start immediately after \$174,500, seats one person and does

Mr Robin Herd, March executive races. Two years ago every car on out says Mr Herd. chairman and former chief design—the grid bore its name and its cars
er for the McLaren team, owns the have won the last four Indianapolis a flotation based wholly on racing company. Under the offer, which 500s in a row. Earlier this month would not quite be the stuff on will expand the number of shares the company produced its 200th In-which investors dreams are made.

Shares worth about film at the also one of the best known Grand about it has suggested expected offer price are to be Prix competitors.

distributed before the listing to The Indianapol

onger-serving employees. the prestige attached to his racing motives Design, Hawtal Whiting The offer is expected to raise 22m car company, a major design award and other UK design and engineer from the shares being sold by Mr and a personal CBE have pering specialists, says Mr Herd, is es-Herd and £2.5m from the new suaded the 47-year-old Mr Herd tablished and growing fast. shares. Of the latter, £500,000 will that March had become a viable be used to repay a loan from Mr member of the USM.



The proclaimed reasons for doing so are a lot less unusual than 12. The event marks March's return

For the past four years the common March's activities: funds for expanto Grand Prix racing after six pany has dominated the Indianaposion and diversification and because I want some of my money years.

Mr Herd is the first to admit that In reality the company is becoming Throughout the 1970s March was more diversified than the publicity

A consultancy along the lines of The Indianapolis victories and those at Lotus, International Auto-

Among the projects already undertaken is General Motors' Oldstry, during the 1990s and says that

mobile Aerotech proto-type concept. While Mr Herd is reticient about

it, most of the motor racing world aiready knows that Nissan's technical contribution to its World Sports Car Championship cars, now challenging Porsche and Jaguar at Last year March produced 104 races such as Le Mans, has consist-racing cars, most of them Indi cars ed of dropping off engines in crates and European Formula 300 units. at March's front door.

The Nissan cars' design and engicars. beering involved two March subsi- Wi diaries - Comptec and Aerotec, re- Prix is often seen as a licence to cently established 20 miles away at burn money, Mr Herd says that Brackley, Northamptonshire.

Comptee is the plastics compo-

materials in high stress usage, stands well placed to benefit.

Aerotec undertakes aerodynamic engineering and was responsible for the design-through-installation process for its own 30 metre long wind tunnel over three months when the company was quoted a two-year delivery time by a leading West German specialist manufac

March is equally proud of being able to take the Nissan race car from a blank sheet of paper and put it on a race track within 14 weeks.

Included in the total were 10 sports

While acknowledging that Grand March's re-entry to it will be on a sites division. Mr Herd forecasts an tends to add another competition explosion in the use of composites, car production line within the next three years, enabling a huge jump

#### ASIA

### Nikkei in second biggest daily fall

TOKYO

THE YEN'S sharp appreciation and the US decision to take retaliatory trade measures against Japan caused the exchange to suffer its second worst setback in history yesterday, writes Shigeo Nishiwaki

The Nikkei average plummeted 550.45 to 21,628. The largest recorded fall was 637.33 on September 16 last year. Due to a strong waitand-see mood, turnover dropped steeply from the record high of 2.82bn shares last Friday to 1.07bn. Losses outnumbered gains 635 to 208, with 118 issues unchanged.

Reflecting Friday's record turnover in volume and value and the Nikkei's all-time high, the Tokyo market remained firm on Saturday and opened strongly yesterday. After buying had run its course, however, selling increased to push share prices down.

Negative factors hit blue-chip electricals particularly hard. NEC fell Y130 to Y1,460 under pressure from increased foreign selling, while JVC shed Y170 to Y1,890. Hitachi lost Y65 to Y885 and Matsushita Electrical Industrial Y60 to

ng Y49 and Y600 and Y67 to Y733, respectively. Fuji Photo Film tumbled Y210 to Y2,748 beper cent import tariffs in the Rea. ry bond in Tokyo. against Japanese companies' alernment bond due in June 1996 leged violation of a bilateral chip tumbled from Saturday's 4.150 per

huge losses, with a slide in buying exchange at one stage, but closed at by institutional investors. Nippon 4.155 per cent. The yield continued Steel topped the actives, but its voltor ise in inter-dealer trading after ume shrank from Friday's 437.37m the close, reaching 4.480 per cent.

shares to only 85.43m and it closed Y22 down at Y345. Nippon Kokan fell Y34 to Y279, Sumitomo Metal Y26 to Y221 and Ishikawajima-Hari-

ma Heavy Industries Y61 to Y498. Tokyo Electric Power closed Y330 cheaper at Y8,450 and Tokyo Gas Y50 lower at Y1.340.

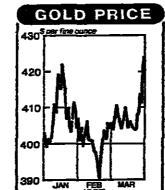
Among acquired immune deficiency syndrome (AIDS) related stocks, Ajinomoto finished at Y4,000, down Y280, Sumitomo Chemical at Y817, off Y38, and Takeda Chemical at Y2,980, down Y50. However, Asahi Chemical, which last week announced the development of a filtring system for the AIDS virus, gained Y60 to Y1,110 on the second largest trading of 44.15m

Constructions firmed temporari-ly, but faded later. Taisei Corp. closed Y50 lower at Y1,090 after advancing Y20 at one stage. Ohhay-ashi Corp. was also Y50 down at In contrast, investors sought com-

panies undertaking research and development of superconducting materials. Among them Furukawa shares worth A\$307m. Among leading gold issues Central Norseman The yen's rise temporarily strengthened bond investors' expectations of a further cut in Japan's official

prices in the wake of the Bank of Japan's market intervention to supcause X-ray film is on the list of port the dollar and a large drop in Japanese products subject to 100 the price of the 30-year US Treasugan Administration's retaliation The yield on the 5.1 per cent gov-

cent to an all-time low of 4.070 per Large-capital stocks also suffered cent in block trading on the Tokyo



#### **AUSTRALIA**

was scored in Syndey as gold issues jumped in response to the higher bullion price. The All Ordinaries index surged 21.1 to 1,711.5 while the gold index soared 204.4 points, or 7.7 per cent, to 2,825.7.

ing gold issues Central Norseman gained AS2.50 to AS20 while GMK added A\$1.50 to A\$29. Kidston at A\$8.50 was 70 cents stronger. BHP Precision instruments also lost discount rate, but bank and securi- Gold Mines rights were actively ground, with Nippon Kogaku and ties house dealers later grew cau-traded with 8.4m changing hands Right losing V40 and V870 and V87 tious of the future trand of hand

Peko Wallsend led the resource sector with a 48-cent rise to A\$7.30 in belated reaction to Friday's news that IEL had acquired 10 per cent of

The weaker trend among industrials was attributed by brokers to the surge of interest in mining issues: ACI gave up 10 cents to A\$4.00, Humes and Amcor were 5cents cheaper at A\$3.05 and AS4.80, respectively, while Pacific Dunlop was 5 cents down at A\$4.70.

#### ture of the session: Bank of East Asia was 20 cents higher at HK\$19.90, Hang Seng Bank at HK\$53 was HK\$1 up and Hong Kong Bank was unchanged SINGAPORE PROFIT-TAKING trimmed some of

the recent gains in Singapore as the Straits Times industrial index shed 6.62 to 1,073.42. United Motor Works, most active with 1.9m shares traded, edged %

cent lower to 77% cents while Sealion Hotel was unchanged on turnover of 950,900 shares. Straits Trading retreated 24 cents to S\$4.12 while OCBC, 15 cents

down at S\$9.70, and UOB, off 10

cents at S\$5.10, failed to respond to higher year end figures. Other features included Singapare Airlines which closed 20 cents down to S\$11.50 while Fraser & ve was 15 cents cheaper at S\$9.95. Losses of 10 cents were recorded by Genting at S36.70, Singapore Press at S\$8.00, DBS at S\$11.90, Metro at S\$7.80, National

#### **HONG KONG**

HEAVY FOREIGN selling of utilities exerted pressure on Hong Kong as the Hang Seng index retreated 23.86 to 2,774.88 after a mid day advance of 14 points.

Trading was dominated by the expiry yesterday of March con-tracts in Hang Seng index futures.

Dairy Farm International's 26 per cent advance in profits failed to excite, and the food retailer dropped 12% cents to HK\$4.67%. Jardine Matheson, which indirectly controls Dairy Farm, dropped 80 cents to

Among utilities China Light was 70 cents down at HK\$21.70, HK Electric was 20 cents off at HK\$13.90 and HK-TVB at HK\$12.80 was 10 cents lower.

Among properties Hang Lung relopment retreated 10 cents to HK\$12.10 and New World Development was 10 cents cheaper at HK\$10.40. Sun Hung Kai Properties added 20 cents to HK\$25.50, and Wharf eased 5 cents to HK\$8.90.

Iron at S\$5.20 and Singapore Bus at Banks managed to post some gains despite the overall fragile na-

#### **SOUTH AFRICA**

THE SLIGHT weakening in the er at R68 and Gold Fields of South bullion price from its strong recent advance pulled Johannesburg gold
shares off the day's highs but left
50 cents to R46.50, and Impala them firmer overall. The strengthening of the financial rand also contributed to the late fade in prices.

Among golds Driefontein added 75 cents to R72, Vaal Reefs put on

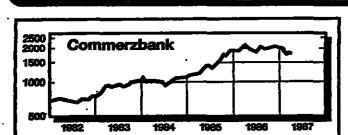
R7 to R387 after touching R395, and Free State Consolidated Gold Mines was 75 cents up at R53.25. Mining house stocks also firmed,

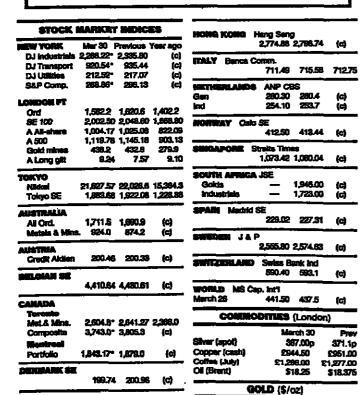
Africa up 25 cents at R59.

picked up R1 to R45.50. However, diamond share De Beers, trading ex-dividend, lost R1.50 to R38.75.

Industrials continued their strong run, the sector index posting an other record high, up 13 on Friday's close at 1.736. Barlow Rand edged 15 cents higher to R22.15. Sasol, the oil-from-coal producer, added 10 with Anglo American 50 cents firm- cents to close at R10.80.

#### **KEY MARKET MONITORS**





**STANCE** 

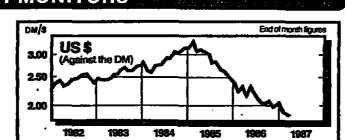
CAC Gen

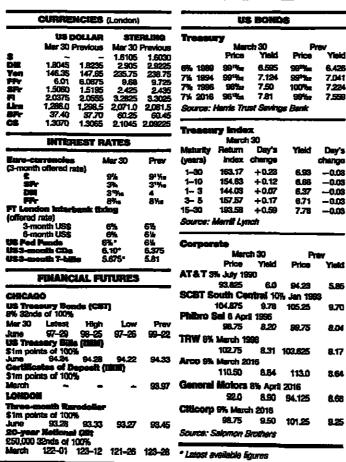
454.70 459.0

115.0 118.4

581.63 587.18

erzbenk 1.792.90 1.779.4





#### .EUROPE

### Weak dollar spurs profit-taking

THE DOLLAR'S slide and Wall Street's poor showing on Friday encouraged European investors to take profits following the markets' relative strength last week, leaving prices generally lower.

Frankfurt fell back in duli trade as investors awaited this week's flush of banking results with caution. The Commerzbank index, however, which is calculated at mid-session, failed to reflect the market's late softness and gained 13.4 at 1.792.8.

News that the dollar's fall had contributed to BASF's profits tumbling 13.6 per cent in 1986 pulled its stock down DM 8 to DM 268 and put pressure on other chemicals. Bayer ost DM 2.90 to DM 304.60 while Hoechst was DM 4.70 off at DM 272.60.

Last week's high-flying blue chips were badly hit. Daimler lost DM 15 to DM 1,003 while Deutsche Bank was DM 6 down at DM 671. Among other car stocks, BMW fell back DM 1 to DM 519, but VW firmed by DM 2 to DM 353 despite year ago about recently reported currency trading losses.

stock, lost DM 1 to DM 170 amid news it was to buy an indirect majority stake in car part maker Fich-tel and Sachs. In the sector, MAN was DM 1.30 off at DM 173.30, and KHD lost DM 1.70 to DM 146.80. Retailers Karstadt and Kaufhof firmed, by DM 1.70 to DM 423.20

Bonds eased amid profit-taking in moderate trade. The Bundesbank bought DM 54.4m of paper, LONDON

in index point terms. The FT-SE 100 index lost 46.1

concern over political tension

against sales of DM 61.5m on Fri-490 to BFr 5,550. Dealers said the reports that management knew a fall reflected belief that French insurer AXA, which holds 20 per cent

and by DM 2 to DM 471, respective-

THE HEAVY fall in Tokyo share prices and the early losses on Wall Street together helped to push London equity prices to their largest recorded daily fall

to 2,062.5, having recovered from a brief dip below the 2,000-mark scaled only a fortnight ago. The FT Ordinary index was 38.4 lower at 1.582.2

Major exporters were hit by surrounding Japanese trade poli-

cal traders continued to take profits. Insurers fared badly, with AG of BFr 450 at BFr 5,550 and Royale Belge, despite news of a 47 per cent rise in profits for 1988, down BFr

of the Belgian group, had stopped buying Royale Belge stock. Holding companies also weak-ened, Sofina by BFr 550 to BFr 13,850. Industrials also lost ground. Solvay was BFr 150 down at BFr 9,750, glassmaker St Roch BFr 190 down at 5,050 and metal processors Vieille Montagne and Metal Hoboken lost BFr 310 to BFr 5.370 and

BFr 170 to BFr 6,950, respectively. Paris also slipped back from last week's heights under the influence of Friday's fall on Wall Street and falls in Far Eastern markets.

mong the heaviest fallers. Further selling is expected lat-

er in the week with the close of the end of the fiscal year. This is likely to prompt sales from private investors with prefits on their partiolics.

British government bonds also weakened significantly, losing more than a point on the day Gilts were particularly affected by the dollar's tall and the atdant spectre of a rise in US interest rates. Details Page 48.

declines, off FFr 101 at FFr 2,384. Lyonnais des Eaux slipped FFr 69 Avions Dassault, however, moved

sinst the trend to add FFr 60 to FFr 1.320 Zurich lost ground in most sectors as dealers worried about the Among the faltering blue chips, chemical Sandoz bearer shares lost SFr 100 to SFr 11,400 while pharma-

ceutical stock Hoffmann-La Roche ‰ fe∐ SFr 125 to SFr 13.750. Banks were weak. Crédit Suisse losing SFr 60 to SFr 3.500. Bank Leu dropping SFr 75 to SFr 3,325 and Suisse Volksbank down SFr 15 at SFr 2,135. Suisse Bank, however, added SFr 1 to SFr 470.

insurers followed banks lower. Amsterdam eased slightly, largely due to the dollar's weakness. Accordingly, prices of internationals 6.80 at F1 577.00, Royal Dutch F1 8.10 non-voting 'B' shares,

off at F1 240.00 and Philips 80 cents lower at F1 49.30. Chemical Akzo lost Fl 1.40 to Fl 143.60.

Aircraft manufacturer Fokker

continued to fall losing Fl 2.50 to Fl 49.00, in the wake of Friday's announcement of a 38 per cent drop in Milan was marginally lower due to profit-taking and concern over the impasse in the country's gov-

trend, shedding L80 to L12,620, with blue chips Montedison and Olivetti also down, by L15 at L2,830, and L110 at L12,950, respectively. Eridania, the Ferruzzi group's sugar company, rose L16 to L4,750 in the wake of last week's news that

rnmental crisis. Flat mirrored the

1986 earnings had almost doubled. Snia BPD lost L12 to L4.799 despite having announced an 11 per

Madrid firmed, led by advances among utilities and banks. Blue-chip Telefonica, however, shed % a percentage point to 168% per cent of nominal market value. Stockholm closed lower on profittaking and on a rumour, later de-

nied by Finance Minister Mr Kjell-Olof Feldt, that the Government planned freezing dividends at last year's levels. Ericsson was the biggest faller among blue chips, losing SKr 10 to SKr 266 amid news that the Wallenberg group had boosted its stake in

Volvo was also SKr 10 lower at SKr 316. Oslo eased slightly across the board. Norsk Data led falls, closing fared badly, with Unilever down FI NKr 7 down at NKr 246.50 on its

the group from 28.9 to 37.5 per cent.



Zürlch

Paris (fbdng

New York (June)

